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THE LIVESTOCK REVIEW FOR 1928

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GENERAL SUMMARY

In general, 1928 may be characterized as one of the outstanding years in the history of the livestock industry. As measured by total income to producers, by apparent profits, and by the general level of prices of all meat animals, the year was more favorable than 1927; in fact it was the most favorable year of the postwar period. The situation in the sheep industry was somewhat better than in 1927 and was one of the most profitable years on record. The relatively unsatisfactory conditions in the hog industry were more than offset by the favorable conditions in the cattle industry. Conditions in the hog industry were slightly below average, whereas conditions in the sheep and cattle industries were considerably above average.

Although prices for commodities purchased by farmers were slightly higher in 1928 than in 1927, the higher general level of livestock prices offset this increase. The purchasing power of livestock was not only considerably higher than in 1927 but was also the highest since war time. The situation of the livestock industry as a whole was more favorable than that of most other major agricultural enterprises.

The total dressed-weight equivalent of animals slaughtered under Federal inspection for the year (total dressed carcass weights, excluding condemned), amounted to 13,829,000,000 pounds. This was an increase of 2 per cent over that of 1927, and was the largest since 1924. (Table 1.) As compared with the preceding year, beef and veal combined showed a reduction of 10 per cent, whereas pork and lamb (including mutton) increased 11 and 4 per cent respectively.

Despite an increase in the total meat supply, the combined unit price of meat was somewhat higher than in 1927. The total cost to packers of livestock slaughtered under Federal inspection totaled \$2,148,000,000, or \$123,000,000 more than in 1927. This was the largest total cost for the period for which such figures are available (1921 to date). After allowing for exports, imports, and changes in storage supplies the total dressed-weight equivalent from inspected slaughter for domestic consumption, was approximately 12,667,000,000 pounds, an increase of 1 per cent over 1927. Allowing for the increase in population this amounted to a per capita supply of about 106 pounds, or only slightly less than the per capita supply in 1927. The relative changes in the domestic per capita supply of the different kinds of meat included a decrease of 11 per cent for beef, including veal, and increases of 3 per cent for lamb, including mutton, and 8 per cent for hog products.

Industrial conditions during 1928 averaged generally favorable for a good demand for meats. From the relatively low level prevailing at the beginning of the year, conditions gradually improved, and during the second half of the year were especially favorable. The regular increase in population accounted for some of the improvement in total demand over the preceding year. Although improved consumer demand apparently helped to advance livestock prices somewhat in 1928, price levels for each kind of livestock were determined chiefly by decreases or increases in the market supply, rather than by any material change in demand conditions.

Advancing corn prices during the first half of 1928 were a disturbing factor in the livestock situation. This, combined with lower hog prices, resulted in a very unfavorable relation between corn and hog prices during the first half of the year. This relationship improved somewhat during the second half of the year, but was still below the average. The unfavorableness of the hog situation resulted in a rather abnormal seasonal distribution of market supplies and marketings were bunched somewhat in the spring and again in the fall. The market responded to the decreased supply of hogs during the summer by a sharp price advance, and prices during the period averaged considerably higher than for the corresponding period in 1927. Despite the higher prices in the summer, hog production was relatively unprofitable and there was some evidence of reduced breeding, which would be expected to result in reduced market supplies during 1929 and much of 1930. Apparently the early part of the year 1928 marked the turning point of the hog cycle. The year as a whole recorded the peak of the market-supply cycle, a downward trend in the production cycle, and a slight upward trend in the price cycle.

Because of the relatively high level of cattle and lamb prices, the advance in corn prices was of less importance to feeders of these two classes of stock than it was to hog feeders. The advance in feed costs, however, coupled with a marked seasonal decline in prices of fat cattle early in the year resulted in rather unsatisfactory returns to cattle feeders who marketed in the late spring. The demand for stocker and feeder cattle was especially good all during the first half of the year. With the sharp seasonal advance in prices of fed cattle, and a continued advance in prices of other slaughter cattle, the demand

for unfinished cattle of all kinds was especially strong during July, August, and September. Prices of such cattle, instead of making the usual seasonal decline, continued to advance during this period and were very high as compared with prices of fat cattle. The movement of stocker and feeder cattle from markets was unusually large during the summer and was especially large as compared with the relatively small movement of such cattle in the same period in 1927.

Many cattle feeders in the late spring and summer put cattle on feed for the late fall market, apparently in anticipation of a repetition of the sharp advance which occurred in late 1927. The seasonal rise of prices of fat cattle in June and July also encouraged many feeders to short feed for the late fall market. This increased supply, and especially the increased proportion of well-finished cattle in the fall and early winter, overloaded the market; as a result the seasonal decline in prices of fat cattle got under way earlier than usual. The break came in the early fall, whereas in 1927 it did not come until the end of the year.

The prospects early in the summer for a rather large corn crop doubtless influenced feeders to buy at high prices. But the corn crop turned out to be only slightly larger than in 1927, and corn prices during the fall and winter held at a level higher than was generally expected.

The early seasonal decline in prices of fat cattle, together with the resulting unsatisfactory returns from feeding operations, caused a relatively poor demand for feeding cattle after September. This situation was the reverse of 1927 when the demand for feeding cattle was weak from July through September and was especially strong late in the year. Since feeding cattle were taken out early in the summer of 1928 and at relatively high prices, their return to market was earlier than usual and resulted in a relatively large proportion of well-finished cattle in market supplies late in the year. The estimated number of cattle on feed at the beginning of 1929 was 3 per cent more than on January 1, 1928.

The underlying condition in the cattle industry was reflected in the scarcity and higher prices of the lower grades of cattle. At this phase of the cattle cycle, fed cattle represent a relatively large proportion of the total cattle supply, and in general there is a strong demand for stocker and feeder cattle. The country movement of such cattle represents a relatively large proportion of total market receipts. Apparently 1928 marked the low point of the cattle-production cycle, and the near approach to the low point of the market-supply cycle. The peak of the cattle-price cycle is probably not far in the future. The situation for the time being continues particularly strong for the cattle grower.

Range and pasture conditions were reasonably favorable during the year. Sheep numbers continued to increase. A large proportion of ewe lambs was held for replacement or expansion. Slaughter supplies included a decreasing proportion of sheep and an increasing proportion of lambs. With the improvement in the cattle industry more competition may be expected from cattle in the utilization of available pasture and range in many areas. This condition may tend to limit further expansion in sheep numbers and may hold lamb production at near present levels.

The lamb crop of 1928 was estimated as 9 per cent larger than that of 1927. The increase was chiefly in the Western States, particularly in the States that had heavy losses as the result of severe weather conditions in April and May, 1927. The increase in these States was reflected in larger market supplies in September and October, a large proportion of which were heavy feeder lambs that were forced into the slaughter market as the result of a relatively poor demand for feeding lambs at that time. Results from lamb feeding in the western feeding areas for the spring market of 1928 were very satisfactory, a repetition of 1927. This, probably, would have resulted in generally increased feeding in those areas in the winter of 1928-29 had it not been for unfavorable feed conditions in some of the areas. Early in the fall of 1928 returns from lamb feeding in the Corn Belt were relatively unsatisfactory, but those who fed for the winter market apparently received the most satisfactory returns since the winter of 1924-25.

Despite an increase in total market supplies of lambs for the year, prices averaged higher than in 1927. With higher wool prices, live values were relatively higher than carcass prices. Measured in terms of the purchasing power of the sheep dollar, conditions in the industry were apparently the most favorable on record. Heretofore the sheep-price cycle has averaged around 8 to 10 years in length, but with 7 years of prices rather favorable to the industry it would seem that changed conditions may extend the present cycle over the maximum range.

TABLE 1.—*Number, weight, and cost of livestock slaughtered under Federal inspection, 1921-1928*¹

CATTLE

Year	Inspected slaughter	Live weight		Dressed weight		Cost to slaughterers, live weight	
		Total	Weighted average	Total	Weighted average	Total	Weighted average per 100 pounds
		Million pounds	Pounds	Million pounds	Pounds	Million dollars	Dollars
1921.....	7,608,280	7,603	999	4,087	541	505	6.65
1922.....	8,677,807	8,521	982	4,573	531	562	6.50
1923.....	9,162,516	8,725	952	4,686	516	598	6.85
1924.....	9,593,075	9,110	950	4,829	508	605	6.64
1925.....	9,853,689	9,368	954	4,939	506	669	7.12
1926.....	10,180,146	9,815	964	5,226	518	719	7.32
1927.....	9,529,104	9,004	946	4,788	507	777	8.63
1928.....	8,467,308	8,027	948	4,265	508	850	10.59

CALVES

1921.....	3,807,568	647	170	366	96	53	8.17
1922.....	4,181,500	705	169	395	95	56	7.96
1923.....	4,500,323	777	173	443	99	61	7.90
1924.....	4,935,950	872	177	496	101	67	7.68
1925.....	5,352,561	942	176	541	101	82	8.66
1926.....	5,152,589	908	176	531	103	89	9.83
1927.....	4,876,967	858	176	493	101	91	10.58
1928.....	4,679,022	824	176	462	99	101	12.21

¹ Monthly average costs and weights of livestock were obtained from reports of wholesale slaughterers. These averages were applied to the total federally inspected slaughter to obtain monthly costs and weights. and from these monthly totals, yearly totals, and weighted averages were computed.

TABLE 1.—*Number, weight, and cost of livestock slaughtered under Federal inspection, 1921-1928—Continued*

HOGS

Year	Inspected slaughter	Live weight		Dressed weight		Cost to slaughterers, live weight	
		Total	Weighted average	Total	Weighted average	Total	Weighted average per 100 pounds
	<i>Number</i>	<i>Million pounds</i>	<i>Pounds</i>	<i>Million pounds</i>	<i>Pounds</i>	<i>Million dollars</i>	<i>Dollars</i>
1921-----	38,982,356	8,815	226	6,732	173	751	8.52
1922-----	43,113,629	9,738	226	7,419	173	906	9.30
1923-----	53,333,708	12,024	225	9,182	173	911	7.57
1924-----	52,872,634	11,755	222	8,820	167	946	8.04
1925-----	43,042,867	9,713	226	7,323	171	1,148	11.81
1926-----	40,636,208	9,555	235	7,273	179	1,191	12.47
1927-----	43,633,460	10,180	233	7,731	178	1,021	10.03
1928-----	49,795,408	11,414	229	8,579	173	1,048	9.18

SHEEP AND LAMBS

	<i>Number</i>	<i>Million pounds</i>	<i>Pounds</i>	<i>Million pounds</i>	<i>Pounds</i>	<i>Million dollars</i>	<i>Dollars</i>
1921-----	13,004,905	1,037	80	493	38	89	8.57
1922-----	10,928,941	873	80	418	38	106	12.19
1923-----	11,528,550	929	81	446	39	112	12.02
1924-----	11,990,831	961	80	456	38	123	12.80
1925-----	12,000,994	975	81	466	39	137	14.02
1926-----	12,960,878	1,053	81	501	39	135	12.84
1927-----	12,882,039	1,052	82	502	39	136	12.97
1928-----	13,488,171	1,105	82	523	39	149	13.53

BEEF CATTLE AND CALVES

The cattle situation during 1928 was generally good, being especially favorable to the cattle grower. Prices held the relatively high level reached in late 1927 with about normal seasonal variations. Feeding margins were fairly favorable most of the year, and were especially favorable for those who fed for the summer market. Advancing corn prices during the first half of the year together with the seasonal decline in prices of fat cattle caused fed cattle to be marketed rather freely in the spring. Cattle short fed for the fall and early winter market did not prove profitable. Apparently the anticipation of a repetition of the price movement of late 1927 caused many feeders to take cattle out early in the season and at relatively high prices.

Cattle prices for the year averaged considerably higher than for recent years, and this was reflected in considerably higher average prices of beef to consumers. Lower grades of cattle sold at relatively high prices as compared with fat cattle, and beef from such cattle was in particularly strong demand. The reduced supply of beef and the relatively high prices for this commodity attracted increased imports of beef and live cattle into this country.

MARKET SUPPLIES

Federally inspected slaughter of cattle during 1928 totaled 8,467,308 head, which was 1,052,796 head, or 11 per cent, less than the slaughter in 1927, and 17 per cent less than the heavy slaughter in 1926. Barring 1921, when cattle were held off the market as the result of low prices and depressed financial conditions, slaughter in 1928 was

the smallest since 1916. With average live and dressed weights for the year only slightly heavier than in 1927, the decrease in numbers slaughtered was reflected in a proportional decrease in the production of beef.

Market supplies, as measured by receipts of cattle at all public stockyards, were approximately 7 per cent less than for the previous year. The difference between the relative changes in market receipts and slaughter were largely due to the heavy movement of stocker and feeder cattle through western markets and stockyards, and to a much larger intermarket movement. Moreover the general scarcity and relatively high prices of cattle attracted increased numbers of cattle from districts outside the major cattle-producing areas, and this resulted in increased receipts at many small markets, especially in the Southern States and in the eastern Corn Belt. At the 12 principal markets the reduction in cattle receipts was about 8 per cent, which was rather typical of the general supply situation. (Table 2.)

TABLE 2.—*Market receipts of cattle and calves and the number of each slaughtered under Federal inspection, 1920-1928*

Year and month	Receipts				Total slaughter under Federal inspection	
	Twelve markets ¹		All public markets			
	Cattle	Calves	Cattle	Calves	Cattle	Calves
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
1920.....	12,359,484	2,604,001	16,860,204	5,337,291	8,608,691	4,058,370
1921.....	10,479,048	2,753,336	14,310,145	5,476,649	7,608,280	3,807,568
1922.....	12,724,991	3,164,433	17,141,184	6,076,943	8,677,807	4,181,569
1923.....	13,168,113	3,203,182	16,999,287	6,211,722	9,162,516	4,500,323
1924.....	13,157,044	3,327,871	17,172,899	6,522,508	9,593,075	4,935,030
1925.....	13,031,075	3,543,162	17,116,787	6,949,897	9,833,039	5,352,561
1926.....	13,060,257	3,392,059	17,034,319	6,837,231	10,180,146	5,152,589
1927.....	12,092,680	3,204,944	16,258,428	6,504,800	9,320,104	4,876,907
1928.....	11,170,331	3,113,297	15,188,674	6,289,309	8,467,308	4,679,922
1927						
January.....	1,004,232	240,554	1,327,509	504,139	786,341	396,682
February.....	809,392	219,795	1,079,915	475,441	700,423	376,668
March.....	895,615	259,965	1,171,606	571,303	761,299	456,599
April.....	810,117	237,279	1,107,072	566,535	741,951	453,956
May.....	990,184	270,115	1,348,394	607,151	783,272	462,191
June.....	880,490	254,460	1,185,136	546,912	798,816	429,579
July.....	803,343	209,345	1,089,511	457,383	742,824	354,504
August.....	1,144,657	304,990	1,494,099	571,143	837,888	389,369
September.....	1,083,943	266,842	1,481,561	566,881	827,725	357,008
October.....	1,500,778	364,235	2,007,625	626,960	895,269	413,100
November.....	1,276,654	341,822	1,748,638	597,678	881,483	410,765
December.....	893,245	235,542	1,217,362	473,274	761,143	376,486
1928						
January.....	969,851	236,764	1,272,396	498,625	711,104	383,264
February.....	790,171	222,638	1,045,149	470,715	666,079	373,789
March.....	726,700	227,542	945,764	499,397	664,948	407,200
April.....	815,553	260,888	1,118,797	565,509	623,250	438,387
May.....	878,698	262,804	1,188,310	610,435	723,120	473,066
June.....	767,439	234,075	1,056,963	501,195	705,525	398,119
July.....	859,839	238,824	1,158,045	462,349	662,331	361,564
August.....	972,868	267,080	1,307,474	521,291	716,567	368,799
September.....	1,255,649	277,616	1,608,667	521,766	764,212	362,091
October.....	1,399,071	359,809	1,913,048	628,734	801,248	404,945
November.....	976,569	285,929	1,418,929	544,454	762,045	377,969
December.....	777,893	209,308	1,075,142	434,849	666,879	340,699

¹ Chicago, Denver, East St. Louis, Fort Worth, Indianapolis, Kansas City, Oklahoma City, Omaha, St. Joseph, St. Paul, Sioux City, and Wichita.

Season by season the supply of cattle going for slaughter was considerably less in 1928 than in 1927. Compared with the average for

the last several years, slaughter during the first half of the year represented a larger-than-usual proportion of the total yearly slaughter. The proportionally smaller slaughter during the second half of the year reflected both the smaller supplies coming from the producing and grazing areas of the West and the larger movement of cattle from these areas to Corn Belt feed lots.

The classification of cattle slaughtered during the year showed that the reduction in numbers was greatest among steers. (Table 3.) During the first half of the year, around 14 per cent fewer steers were slaughtered than during the same period in 1927, and during the second half the reduction was about 15 per cent. For cows and heifers combined (cows predominating) the reductions were around 7 and 9 per cent respectively.

TABLE 3.—*Cattle: Computed number and percentage, by class, slaughtered under Federal inspection, 1919–1928*¹

Six-month period	Number slaughtered			Percentage of total		
	Steers	Cows and heifers	Bulls and stags	Steers	Cows and heifers	Bulls and stags
January–June:	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
1919.....	2,122	2,176	149	47.71	48.93	3.36
1920.....	2,213	1,726	127	54.43	42.45	3.12
1921 ²						
1922 ²						
1923.....	2,244	1,831	177	52.77	43.06	4.17
1924.....	2,167	1,931	181	50.65	45.13	4.22
1925.....	2,270	2,056	153	50.91	43.66	3.43
1926.....	2,304	2,233	167	48.99	47.46	3.55
1927.....	2,319	2,061	165	50.69	45.71	3.60
1928.....	2,001	1,943	150	48.88	47.45	3.67
July–December:						
1919.....	2,264	3,218	164	40.11	56.99	2.90
1920.....	2,037	2,356	143	44.86	51.88	3.26
1921 ²						
1922.....	2,381	2,188	208	49.84	45.81	4.35
1923.....	2,153	2,560	196	43.86	52.14	4.00
1924.....	2,288	2,816	210	43.06	52.98	3.96
1925.....	2,206	3,016	171	40.91	55.92	3.17
1926.....	2,465	2,831	179	45.02	51.71	3.27
1927.....	2,163	2,594	189	43.74	52.44	3.82
1928.....	1,845	2,348	180	42.18	53.70	4.12

¹ Numbers based on percentages obtained from slaughterers.

² Data not available.

Although there was a decreased supply of fed cattle in 1928, this group represented a large proportion of the total supply of slaughter cattle. The strong demand for stocker and feeder cattle and the decreased supply of cows resulted in a comparative scarcity of low-grade slaughter cattle all during the year. Because of the sharp seasonal rise in prices, large profits were made on cattle fed for the late summer and fall of 1927. These profits encouraged long feeding in 1928. Cattle bought in 1927 were generally younger and lighter in weight, and they went into feed lots later than usual, all of which indicated a larger proportion of fed cattle during the second half of 1928. That many cattle were thus held for the summer and fall market is indicated by the large number and proportion of Choice and Prime steers at Chicago in the summer and fall of 1928. (Table 4.)

TABLE 4.—*Number of beef steers, by grade, sold out of first hand at Chicago for slaughter, 1922-1928*¹

Year and month	Good, Choice, and Prime		All weights			
	1,100 pounds and over	Less than 1,100 pounds	Choice and Prime	Good	Medium	Common
	Number	Number	Number	Number	Number	Number
1922.....	359,286	242,316	172,176	429,426	603,255	287,168
1923.....	325,650	223,720	155,762	423,608	706,052	324,508
1924.....	331,514	177,119	144,265	364,368	731,192	290,897
1925.....	360,315	239,458	158,224	441,549	595,811	215,769
1926.....	436,824	276,992	217,959	495,857	646,235	247,823
1927.....	351,514	402,566	140,689	613,391	508,908	149,843
1928.....	311,900	317,763	174,944	454,809	396,885	137,961
1927						
January.....	35,557	7,761	8,089	35,229	56,861	23,541
February.....	29,987	13,516	7,693	35,840	57,614	13,599
March.....	31,822	25,946	5,050	52,748	50,945	14,568
April.....	29,672	26,631	8,169	48,134	39,514	13,299
May.....	34,135	53,225	16,596	70,764	57,207	15,195
June.....	34,018	70,162	20,662	83,518	35,768	6,134
July.....	33,883	54,942	25,684	63,141	23,934	6,534
August.....	40,152	67,899	21,155	86,806	29,493	10,304
September.....	22,778	32,592	13,043	42,327	29,448	12,121
October.....	20,054	23,674	8,636	35,092	32,681	11,618
November.....	21,107	16,106	4,601	32,552	50,449	11,582
December.....	18,349	10,112	1,281	27,168	45,654	11,348
1928						
January.....	21,585	7,236	2,475	26,346	52,377	13,370
February.....	20,204	6,803	1,616	25,391	49,955	8,670
March.....	19,264	12,874	3,464	28,674	48,244	9,796
April.....	27,239	27,892	9,342	45,789	49,029	7,445
May.....	34,569	40,141	14,659	60,051	45,346	4,016
June.....	33,736	52,693	29,635	56,794	18,971	4,488
July.....	30,042	44,024	40,052	34,014	16,100	7,474
August.....	31,557	32,994	28,049	36,502	15,237	7,386
September.....	25,901	28,443	22,470	31,874	16,295	12,549
October.....	23,375	25,763	10,449	38,689	20,730	19,429
November.....	23,105	22,624	8,520	37,209	24,180	22,963
December.....	21,413	16,276	4,213	33,476	40,421	20,375

¹ Steers largely from the Corn Belt; range cattle not included.

As most of the cattle feeding for the 1928 market was confined to the western Corn Belt, the change in character of the steer supply at Chicago apparently was not entirely typical of the change in the character of the supply for the country as a whole. All conditions pointed to a larger proportion of long-fed steers than in 1927, especially during the last half of the year. Apparently an increased proportion of the total supply of fed cattle was received at the western Corn Belt markets.

In the summer of 1928 the seasonal upturn in prices of fed cattle, coupled with prospects at that time for a relatively large corn crop, encouraged many feeders to take out cattle that were suitable for a short turn in the feed lot. This resulted in a relatively large number of "warmed up" cattle late in the year. These, together with the increased number and proportion of well-finished, long-fed steers, resulted in a supply situation which brought about an early seasonal decline in prices of fed cattle. In 1927 prices reached their highest level unusually late in the year and the seasonal decline was deferred into 1928. (Fig. 1.)

PRICES

For the year, cattle prices averaged the highest since 1919 and from the standpoint of purchasing power they apparently were the highest on record. The average cost of all cattle for slaughter during the year

was \$10.59 per 100 pounds as compared with \$8.63 for 1927, and \$7.32 for 1926. (Table 1.) The relatively high level of prices of the better grades of cattle attained during the last half of 1927 was gener-

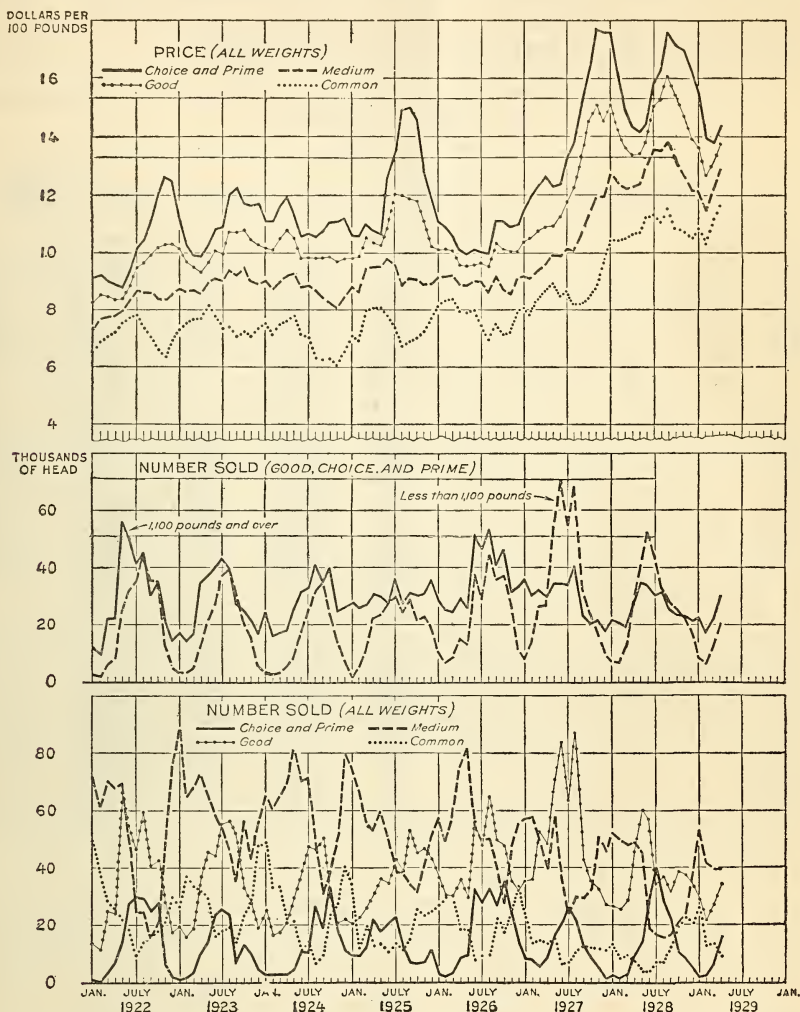


FIGURE 1.—BEEF STEERS, BY GRADES, SOLD OUT OF FIRST HANDS AT CHICAGO, JANUARY, 1922, TO APRIL, 1929, INCLUSIVE (WESTERN STEERS NOT INCLUDED)

The movement of slaughter steer prices was more nearly normal in 1928 than in 1927. Prices of the better grades made a sharp seasonal decline in the first half of the year from the high level reached in late 1927. This was followed by an equally sharp seasonal advance until mid-September when the average of all grades was at the highest level since 1920. Top price for Choice and Prime steers, however, failed to equal the top reached in the previous year. Prices of all grades went down sharply in the last quarter. Steer supplies were normally distributed over the year but were somewhat less than in either 1927 or 1926.

ally maintained through 1928, and the lower grades averaged considerably higher for the year.

At Chicago, Choice and Prime slaughter steers averaged \$15.83 for the year as contrasted with \$13.32 in 1927. (Table 5.) From the

seasonal peak reached in late 1927 monthly average prices of such steers declined from \$17.66 for November, 1927, to \$14.18 for May, 1928. (Fig. 1.) From this seasonal low level the generally prevailing summer advance carried the average to \$17.58 for September. From this level prices declined to \$16.28 for December. Average prices of Good steers paralleled those for the upper grades.

TABLE 5.—*Weighted prices of beef steers, by grade, sold out of first hand at Chicago for slaughter, 1922-1928*¹

Year and month	Choice and Prime	Good	Medium	Common	Average of all grades
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1922.....	10.40	9.23	8.02	6.99	8.65
1923.....	11.13	10.15	8.92	7.48	9.49
1924.....	10.92	10.00	8.77	7.11	9.24
1925.....	11.96	11.02	9.15	7.40	10.16
1926.....	10.53	9.87	8.96	7.88	9.47
1927.....	13.32	11.90	10.12	8.42	11.36
1928.....	15.83	14.40	12.62	10.76	13.91
1927					
January.....	11.50	10.39	9.13	8.06	9.70
February.....	11.96	10.46	9.07	7.82	9.81
March.....	12.30	10.74	9.35	8.34	10.20
April.....	12.59	10.87	9.57	8.64	10.31
May.....	12.23	10.92	9.92	8.90	10.68
June.....	12.35	11.22	9.90	8.43	11.12
July.....	13.17	11.77	10.08	8.63	11.78
August.....	13.72	12.21	10.04	8.18	12.02
September.....	15.01	13.31	10.54	8.18	12.63
October.....	16.32	14.49	11.21	8.38	13.43
November.....	17.66	15.04	11.91	8.72	13.51
December.....	17.59	14.53	11.94	9.64	13.08
1928					
January.....	17.58	15.11	12.75	10.46	13.67
February.....	16.09	14.21	12.37	10.43	13.15
March.....	14.90	13.59	12.21	10.50	12.83
April.....	14.35	13.36	12.31	10.66	13.01
May.....	14.18	13.40	12.41	10.73	13.91
June.....	14.43	13.82	12.96	11.23	13.86
July.....	15.82	15.11	13.56	11.33	15.12
August.....	16.31	15.29	13.50	11.06	15.50
September.....	17.58	16.09	13.84	11.52	15.91
October.....	17.20	15.42	13.13	10.86	14.61
November.....	17.04	14.71	12.65	10.77	13.84
December.....	16.28	13.91	12.17	10.53	12.86

¹ See note, Table 4.

The question arises as to what are the normal seasonal variations in the prices of the different grades of cattle. Ordinarily when the largest proportion of fed cattle comes to markets, prices for such cattle are the lowest for the year. This large supply usually arrives during the late winter and spring with the result that prices of such cattle are usually the lowest at that season. Prices of the best grades of fat cattle usually reach their highest level in the late summer and fall when there is a small proportion of fed cattle on the market as compared with the number of grass cattle. Prices of lower-grade cattle are usually the highest during the spring, when market supplies of such cattle are the smallest, and they usually work to lower levels as the supply of grass cattle increases. Variations from the usual seasonal movements sometimes occur, these being caused largely by shifts in the market supply of cattle from the normal seasonal marketings. In the case of the better grades this is largely controlled by the feeders.

All during 1928 prices of Choice slaughter steers of the different weights were comparatively close together, the heavier weights averaging slightly higher during the first four months; during the remainder of the year lightweights sold at a slight premium. During most of 1927 medium-weight and heavy cattle sold at a considerable premium. During recent years there has been an alternating tendency for first one weight group to sell at the top and then the other, depending largely on the relative supply of the different weights.

BEEF MARKET

During 1928 approximately 4,265,000,000 pounds of beef was produced from Federally inspected slaughter, this being 11 per cent less than 1927 and 18 per cent less than for 1926. Total beef production was the smallest since 1916. The estimated total per capita consumption of beef for the year was 51.7 pounds as compared with 58.4 pounds in 1927, 63.6 pounds in 1926, and 56 pounds in 1916. Imports of beef (fresh, cured, and canned, including some veal) amounted to approximately 122,000,000 pounds as compared with 78,000,000 pounds in 1927. Imports of live cattle were practically all from Canada and Mexico and amounted to 534,804 head as against 445,345 head in 1927. Cattle imports from Canada included a large proportion of dairy cattle going into the New England and Middle Atlantic States. Those from Mexico were almost entirely stocker cattle for restocking ranges in the Southwest. These imports of cattle contributed but little to the beef supply in 1928.

The decreased per capita supply of beef largely accounted for the sharp advance in beef prices during the year. Wholesale prices of specific grades of beef tended to parallel prices of the same grades of cattle. The higher average prices of cattle were correspondingly reflected in higher average prices of beef to the consumer. (See Figure 2 for the seasonal and general relation between the production of beef, the average cost of cattle for slaughter, and the variations in retail prices of beef.)

The relatively high level of industrial activity during the year stimulated a good consumer demand for beef and the product moved rather freely into consumptive channels. Late in the year, however, retail prices of beef reached a level which apparently tended to check consumer buying and resulted in a general weakening of prices for both beef and cattle. Demand conditions in general apparently were somewhat better throughout 1928 than during the last half of 1927. During the year average retail prices paralleled average cattle prices but apparently lagged somewhat behind cattle prices.

Wholesale prices of Choice heavy steer carcasses at New York averaged \$23.54 per 100 pounds for the year as against \$20.66 for 1927. The lower grades made a proportionately greater advance, thus reflecting the relatively small supply of such beef. (Table 6.) The weighted average retail price of beef computed from average prices reported by the United States Bureau of Labor Statistics for 52 cities on cuts representing the equivalent of 63.5 per cent of the beef carcass was 32.4 cents for 1928 as compared with 28.1 cents for 1927, and 27 cents for 1926.



FIGURE 2.—FEDERALLY INSPECTED SLAUGHTER OF CATTLE BY CLASSES, TOTAL BEEF PRODUCED, AVERAGE COST OF LIVE CATTLE TO SLAUGHTERERS, AND AVERAGE UNITED STATES RETAIL PRICE OF BEEF, JANUARY, 1921, TO MARCH, 1929, INCLUSIVE

The general inverse relationship between the amount of beef produced and the average cost or price of cattle to slaughterers is shown in the upper section of the chart. The seasonal regularity in the changes in average cost is due not only to variations in the quantity of beef produced but also to variations in its quality. During the spring the slaughter supply includes a large proportion of grain-fed cattle which command the higher prices and a relatively small proportion of cows and grass cattle which are of lesser value. In the fall the supply situation is just the reverse of that in the spring, grass cattle predominate and cows represent more than half of the total. (Note lower section.) During 1927 and 1928 decreasing supplies resulted in a material advance in cattle values. Changes in retail beef prices also tend to occur regularly but they lag behind the changes in cattle costs. This was very noticeable in 1927 and the first nine months of 1928 when cattle prices were advancing rapidly.

TABLE 6.—Wholesale prices of western dressed fresh steer beef per 100 pounds at New York, 1927 and 1928

Month	Choice		Good		Medium (all weights)	Common (all weights)
	Heavy (700 pounds and over)	Light and medium (less than 700 pounds)	Heavy (700 pounds and over)	Light and medium (less than 700 pounds)		
1927	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
January.....	17.36	18.76	15.59	15.91	13.41	12.00
February.....	17.44	18.56	15.96	16.21	14.62	13.00
March.....	18.01	18.30	16.59	16.43	15.13	14.03
April.....	19.02	19.06	17.64	17.60	16.35	14.91
May.....	19.00	19.00	17.75	17.75	16.50	14.72
June.....	19.25	19.37	17.84	17.84	16.00	13.87
July.....	20.82	20.84	19.36	19.44	16.80	14.70
August.....	22.09	21.89	19.47	19.51	16.11	13.91
September.....	22.76	22.70	19.79	19.70	15.81	13.42
October.....	23.86	23.86	20.20	19.72	15.80	14.12
November.....	24.75	24.75	21.02	21.02	16.92	15.02
December.....	23.61	23.61	20.51	20.51	17.28	15.62
Average.....	20.66	20.89	18.48	18.47	15.90	14.11
1928						
January.....	22.50	22.42	19.91	20.00	17.22	15.50
February.....	22.43	22.10	20.56	20.22	17.95	16.82
March.....	21.54	21.54	20.31	20.04	18.41	17.15
April.....	21.91	21.91	20.66	20.41	18.60	17.08
May.....	21.22	21.22	20.39	20.39	18.41	16.88
June.....	22.30	22.65	21.58	21.85	19.68	
July.....	23.50	¹ 23.74	22.71	¹ 22.84	² 20.03	² 17.56
August.....	25.41	25.94	24.41	24.34	20.46	17.82
September.....	26.99	27.39	25.26	25.14	20.65	18.09
October.....	26.34	26.54	24.12	23.98	19.78	16.58
November.....	24.64	25.19	22.41	22.90	19.70	17.09
December.....	23.68	24.20	21.26	21.64	19.01	16.90
Average.....	23.54	23.73	21.96	21.98	19.16	³ 17.00

¹ Beginning July, 1928, quotations are on 550-700 pounds.² Beginning July, 1928, quotations are on 500 pounds and over.³ Eleven months' average.

FEEDER CATTLE

The cattle feeding situation was mixed somewhat in 1928.¹ Early in the year the seasonal decline in prices of fat cattle wiped out most of the anticipated margins, but margins were favorable to those who fed for the summer markets despite an increase in corn prices. The small slaughterings in July, and the relative scarcity of market receipts in August caused largely by a reduced supply of range cattle and in part by the delayed movement of grass-fat cattle to market, created a general feeling among cattle feeders that there would be a marked scarcity of feeder cattle. The outlook for a large corn crop at the time also increased the demand for feeding cattle. The speculative flurry that had prevailed for grazing cattle since early in the spring was carried to the Corn Belt feeder, and this tended to develop an unusually strong demand for stocker and feeder cattle.

During the three months, July to September, 45 per cent more feeder cattle moved into Corn Belt feed lots than during the same period in 1927. Feeder buyers competed strongly with slaughterers for heavy, fleshy steers at a time when all cattle supplies were unusually scarce and when prices of feeder cattle were not only abnormally high for the season but relatively high as compared with prices of fat cattle. Such competition almost always proves disastrous to the cattle feeder.

In spite of the usual seasonal decline in prices of stocker and feeder cattle after the usual spring rise, prices of such cattle in the summer of 1928 reached the highest level for the season and were the highest on record with the exception of the late winter and spring of 1919. (Table 7.) But prices made their seasonal decline after September and reached relatively low levels by the end of the year, as prices of fat cattle declined and the feeding demand weakened somewhat.

TABLE 7.—*Weighted average price per 100 pounds of stocker and feeder steers sold at Chicago, 1927 and 1928*

Month	Weight range					
	Over 1,000 pounds	901 to 1,000 pounds	801 to 900 pounds	701 to 800 pounds	700 pounds and under	Average of all weights
<i>1927</i>						
January.....	<i>Dollars</i> 8.18	<i>Dollars</i> 7.84	<i>Dollars</i> 7.61	<i>Dollars</i> 7.62	<i>Dollars</i> 7.54	<i>Dollars</i> 7.65
February.....	8.52	8.40	7.98	7.80	7.66	7.93
March.....	9.60	8.63	8.41	8.44	8.02	8.48
April.....	9.45	9.10	8.92	8.65	8.35	8.75
May.....	10.19	9.67	9.16	8.74	8.48	8.97
June.....	10.02	8.12	8.73	8.22	8.46	8.45
July.....	9.42	8.30	8.15	8.10	7.71	8.14
August.....	9.76	8.42	8.10	8.06	7.94	8.18
September.....	10.04	9.14	8.51	8.53	8.33	8.73
October.....	10.29	9.49	9.03	9.01	8.71	9.15
November.....	10.70	9.98	9.52	9.23	9.02	9.43
December.....	10.87	10.55	9.41	9.57	9.35	9.67
<i>1928</i>						
January.....	12.84	12.04	10.57	10.37	9.80	10.34
February.....	12.50	11.50	11.54	11.12	10.41	11.24
March.....	12.19	11.59	11.13	10.94	10.38	11.07
April.....	12.61	11.85	11.50	11.17	10.98	11.49
May.....	12.52	12.03	11.18	10.91	11.20	11.39
June.....	-----	11.81	11.54	11.48	10.86	11.15
July.....	12.77	11.86	10.68	10.81	10.56	10.89
August.....	12.96	12.16	11.44	11.36	11.08	11.65
September.....	13.19	12.47	11.92	11.50	11.22	12.12
October.....	11.29	11.06	10.80	10.53	10.58	10.86
November.....	10.70	10.35	10.19	10.22	9.85	10.20
December.....	10.32	9.93	9.70	9.76	10.06	9.92

The strong demand for cattle suitable for a short turn in feed lots resulted in an increased outmovement of heavy feeding steers, those weighing over 900 pounds. Of the total movement of stocker and feeder steers from Chicago, Kansas City, Omaha, and St. Paul during the last half of 1928, approximately 21 per cent were of this kind, as compared with 16.6 per cent in the last half of 1927. Most of the percentage increase was in steers weighing over 1,000 pounds. Cows and heifers, and calves, represented larger proportions of the total movement of stocker and feeder cattle than in 1927. (Table 8.) This increased movement of heavy, fleshy feeders, the early movement of cattle into feed lots, and the relatively high prices at which they were purchased prompted an early return to market, hence the rather unsatisfactory cattle feeding situation at the close of the year.

TABLE 8.—*Percentage of each class and weight group of the combined shipments of stocker and feeder cattle and calves from four markets, 1922-1928*¹

Six-month period	Steers					Total steers	Cows and heifers	Calves
	Over 1,000 pounds	901 to 1,000 pounds	801 to 900 pounds	701 to 800 pounds	700 pounds and under			
January-June:	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
1922-----	13.3	15.5	20.1	20.8	30.3	77.2	21.4	1.4
1923-----	9.7	12.3	18.5	22.5	37.0	75.5	12.6	11.9
1924-----	7.1	10.7	18.6	23.9	39.7	77.6	14.0	8.4
1925-----	4.6	9.4	16.8	22.4	46.8	69.1	20.8	10.1
1926-----	9.2	11.7	17.9	18.6	42.5	71.7	21.8	6.5
1927-----	5.1	9.1	17.3	22.0	46.6	71.9	19.7	8.4
1928-----	5.7	8.9	16.0	19.7	49.6	70.4	20.1	9.5
July-December:								
1922-----	23.4	19.9	18.6	14.1	24.0	78.0	10.3	11.7
1923-----	14.1	15.8	22.1	17.6	30.5	78.2	14.4	7.4
1924-----	13.8	13.2	18.6	18.2	36.2	72.7	18.2	9.1
1925-----	8.9	14.8	20.9	19.1	36.4	76.2	18.1	5.7
1926-----	10.0	12.0	17.5	18.7	41.7	72.9	19.5	7.6
1927-----	6.4	10.2	18.2	19.8	45.5	72.0	19.4	8.7
1928-----	9.7	11.4	16.1	18.2	44.6	70.1	20.8	9.1

¹ The 1922 figures represent Chicago only; the 1923 figures, Chicago and Omaha; those for 1924, Chicago, Omaha, and St. Paul, and those for subsequent years are for Chicago, Omaha, St. Paul, and Kansas City.

In the principal cattle-feeding States the corn crop in 1928 was approximately 10 per cent larger than in 1927. The relatively high level of cattle prices made the feeding relation between prices of corn and of cattle rather favorable. Under such conditions feeding profits can be made with a comparatively narrow spread between feeder-cattle costs and fat-cattle prices.

According to the estimate of the Department of Agriculture the number of cattle on feed in the 11 Corn Belt States at the beginning of 1929 was 3 per cent more than the number on feed at the beginning of 1928. The largest increases were in Illinois, Iowa, and Nebraska and the only States showing decreases were Ohio, Indiana, and Missouri.

Texas and the States west of the Colorado-Nebraska line had approximately 10 per cent fewer cattle on feed than a year earlier. The outstanding decreases were in California and Montana.

The movement of stocker and feeder cattle through markets into the Corn Belt States was about 7 per cent larger for the last half of the year than in 1927. (Table 9.) Conditions in general pointed to an early return to market.

TABLE 9.—*Monthly shipments of stocker and feeder cattle and calves from the 12 principal markets, 1920-1928*¹

[In thousands—i. e., 000 omitted]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1920-----	272	225	226	181	236	219	149	302	410	471	514	191	3,296
1921-----	160	144	225	166	170	139	98	336	330	531	484	180	2,964
1922-----	221	212	205	185	274	196	178	461	554	898	539	285	4,208
1923-----	266	180	154	181	247	166	226	411	565	747	480	307	3,930
1924-----	234	148	146	216	192	148	141	258	588	555	423	258	3,308
1925-----	160	142	212	173	132	135	182	282	401	534	360	276	2,992
1926-----	185	151	167	136	138	141	154	257	439	537	487	172	2,964
1927-----	161	142	169	131	169	93	96	246	293	501	500	202	2,702
1928-----	211	140	121	148	185	110	166	251	448	630	308	166	2,882

¹ Total computed before rounding the monthly figures.

RANGE CATTLE

The range-cattle season of 1928 was featured by considerably higher prices than in 1927. The scarcity of feeding and grazing cattle and the strong demand for such cattle resulted in a favorable situation for the cattle grower. The situation was further strengthened by the scarcity of all low-grade slaughter cattle. Receipts of range cattle, including Canadians at Chicago, for the last half of 1928 totaled 153,400 head as compared with 170,500 in 1927 and 240,100 in 1926. This was the smallest supply since 1915, excluding 1921 when cattle were held off the market because of low prices.

The higher prices attracted increased numbers of Canadian cattle into this country, the total being about 284,000 for the year as compared with over 204,000 in 1927.

The quality and finish of the general run of grass cattle reflected good pasture conditions. However, the marketward movement from the southwestern pasture areas was about a month later than usual. Cattle went on grass at younger ages and lighter weights than usual, and probably at a little later date than is customary.

Prices were well above those of 1927. Western beef steers averaged \$11.65 for the season at Chicago, approximately \$1 higher than in 1927, and the highest since 1918. Cows and heifers averaged \$2 to \$3 higher. Stocker and feeder prices averaged the highest on record and were somewhat higher in relation to finished cattle than they were a year earlier. Weight preferences were for fleshy, heavy feeders, especially early in the season.

PRICES OF HIDES

Prices of all by-products of cattle slaughter have some effect on the price of live cattle but prices of hides are the most important. In 1928 prices of hides averaged considerably higher than in 1927 and were the highest since 1920. Spread native steer hides of packer origin averaged \$25.71 per 100 pounds as against \$21.16 for 1927. Somewhat similar advances occurred in all classes. (Table 10.) The advance, which began early in 1927, reached a peak during the first quarter of 1928. From this peak prices declined rather rapidly and closed the year at levels substantially below those at the beginning. This drop in hide prices was partly responsible for the weakness in cattle prices during the last quarter of 1928.

TABLE 10.—Prices per pound of packer hides at Chicago, 1919–1928 ¹

Year and month	Spread native steers	Heavy native steers	Heavy Texas steers	Light Texas steers	Butt branded steers	Colorado steer	Branded cows	Light native cows
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1919.....	41.89	39.76	36.66	35.47	35.94	34.71	34.09	39.39
1920.....	36.03	31.73	27.47	26.50	27.39	26.01	24.93	29.10
1921.....	15.75	14.21	13.34	11.82	12.99	12.02	10.35	11.69
1922.....	21.68	18.10	16.78	15.55	16.81	15.81	13.64	15.46
1923.....	19.03	16.61	14.83	13.77	14.90	13.91	11.15	13.08
1924.....	16.84	14.67	13.84	12.84	13.82	12.82	10.38	12.36
1925.....	17.37	15.94	15.02	14.03	15.14	14.13	13.32	14.61
1926.....	15.84	14.07	13.31	12.63	13.32	12.77	12.05	13.07
1927.....	21.16	19.42	18.36	17.67	18.38	17.87	17.33	18.71
1928.....	25.71	23.85	22.86	22.15	22.88	22.17	21.69	22.63

¹ Data taken from Hide and Leather.

TABLE 10.—*Prices per pound of packer hides at Chicago, 1919-1928—Continued*

Year and month	Spready native steers	Heavy native steers	Heavy Texas steers	Light Texas steers	Butt branded steers	Colorado steers	Branded cows	Light native cows
1928	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>
January.....	27.56	26.37	25.87	25.37	25.87	25.37	24.06	25.37
February.....	26.00	24.37	24.00	23.25	24.00	23.50	22.37	23.37
March.....	25.50	23.75	23.10	22.60	23.10	22.60	22.00	23.25
April.....	27.75	25.75	25.12	24.62	25.12	24.62	24.44	25.75
May.....	27.25	24.62	24.12	23.62	24.12	23.62	23.50	24.37
June.....	24.90	22.50	22.00	21.50	22.00	21.50	22.00	22.55
July.....	26.25	24.19	23.62	23.12	23.62	23.12	23.62	24.37
August.....	25.25	23.50	22.62	22.12	22.75	22.12	22.12	22.62
September.....	25.90	24.30	22.90	22.00	23.00	22.00	21.60	22.40
October.....	24.00	22.00	20.31	19.19	20.31	19.12	18.12	18.87
November.....	23.94	22.31	20.19	18.94	20.19	18.94	17.94	19.12
December.....	24.25	22.50	20.50	19.50	20.50	19.50	18.50	19.50

CALVES

Receipts of calves at public stockyards totaled approximately 6,289,000 head, a decrease of 3 per cent as compared with the total for 1927 and was about 5 per cent less than the 5-year average, 1923-1927. Slaughter of calves under Federal inspection decreased about 4 per cent, as a somewhat larger proportion of the market supply was disposed of as stockers and feeders than in 1927. Although the bulk of the market supply of calves comes from the dairy industry there is also a rather heavy movement of calves from beef-producing areas. The reduction in the general market supply of beef-type calves was not as large, proportionately, as that of cattle. At this phase of the cattle-production cycle, and with the prevailing trend to a more rapid turnover in the beef-cattle industry, calves will represent a larger-than-normal proportion of the total market supply of cattle and calves. The relatively high level of calf prices in 1928, especially as compared with most of the post-war period, encouraged beef cattle growers to sell young stock. With greater confidence in the stability of the present cattle-price level on the part of producers, beef calves may be held to accumulate age and weight. The market supply of calves of beef breeding is likely to show a further decrease during the next few years.

The average dressed weight of calves slaughtered in 1928 was somewhat less than that for 1927. This, with the reduced slaughter, resulted in a reduction of 6 per cent in the quantity of veal produced for the year. (Table 1.) The estimated per capita consumption of veal for the country as a whole was 6.8 pounds, the smallest since 1917. The average cost for slaughter was \$12.21 as against \$10.58 in 1927.

Slaughter calves, weighing 500 pounds and down, grading within the range of Medium to Choice, averaged \$10.42 at Chicago. Vealers (milk fed), grading Good and Choice, averaged \$14.56 for the year. Top prices reached \$19 in September as compared with a top of \$17.50 in September, 1927. The usual seasonal scarcity of vealers comes in the late summer and early fall and at this time calf prices are seasonally the highest.

SUMMARY AND OUTLOOK

For the cattle industry the outstanding features of 1928 may be summarized as follows:

The beef-cattle industry is at the bottom of the production cycle. Total numbers of all cattle and calves on farms and ranges on January 1, 1929, were 55,751,000 head as compared with the revised estimate of 55,681,000 at the beginning of 1928, the increase being negligible and more than accounted for by increased imports.

The number of cattle slaughtered under Federal inspection was 11 per cent less than such slaughter in 1927, and although the greatest reduction was in the last half of the year the supply at that time consisted of a much larger proportion of well-finished cattle than was true a year earlier. Average carcass weight for the year was only slightly higher so the proportional decrease in numbers was reflected in a similar decrease in beef production.

The average cost of cattle for slaughter was \$10.59 as compared with \$8.63 for 1927. Despite the decreased marketings, the amount paid by slaughterers for cattle slaughtered under Federal inspection totaled around \$850,000,000 as compared with \$777,000,000 in 1927. The advance in prices at the end of 1927 was held through 1928, with about normal seasonal variations during the year. In September best steers reached \$18.60 at Chicago as against \$19 in November, 1927.

Demand for cattle suitable for grazing and feeding was unusually strong during the first three-quarters of the year. This was especially true during August and September when prices of such cattle were unusually high for the season and there was a strong demand for fleshy, heavy feeder steers suitable for a short feed.

The situation at the close of the year was somewhat the reverse of late 1927. The market was oversupplied with short-fed cattle and there was a relatively poor demand for feeder cattle. The seasonal decline in prices of fed cattle had gotten under way earlier than in 1927 and by the end of the year prices had declined materially. Feeder cattle had been bought early in the season at relatively high prices and these conditions tended to bring about an early movement of fed cattle to market.

The large proportion of the better grades of cattle and the relatively high prices for the lower grades resulted in a much higher average cost of cattle to slaughterers and this was reflected in a correspondingly higher average retail price to consumers. The demand for beef during the year was generally good. The improvement during the year brought the demand for the last half of the year to a much higher level than for the same period in 1927.

Relative scarcity of well-finished medium and heavyweight steers during the first four months of the year caused such cattle to sell at a premium over comparable lightweight cattle. During the remainder of the year, however, the differential was slight and was in favor of the lighter weights.

The year was especially favorable to the cattle grower. Range conditions were generally favorable and all grass cattle moved freely either to killers or to finishers at prices considerably higher than for many years and with a purchasing power apparently the highest on record. The cattle grower is in a strategic position with the outlook reasonably favorable for several years.

In summarizing the general cattle situation (fig. 3) there is at present a close adjustment between cattle production and slaughter, and cattle production is at the low point of the cycle, a level which corresponds with that of 1912. The cattle cycle appears to extend over a period of 14 to 16 years. The unfavorable price situation during the past several years caused liquidation of breeding and growing stock with the result that slaughter exceeded production, and numbers on farms and ranges were rapidly depleted. The same condition characterized the period 1908 to 1912, when numbers were rapidly depleted in the cycle of that period. As restocking takes place and herds accumulate, the market supply will probably show a further reduction. There appears to be a rather distinct lag between changes in slaughter and changes in numbers on farms and ranges.

At this phase of the cattle cycle the relatively high prices of breeding stock increases the inventory value of cattle and makes expansion somewhat more expensive and risky. Judging from previous cycles, the general peak of the present price cycle would be expected in 1930 or 1931 (fig. 3), depending somewhat on the fed-cattle situation. In many areas cattle compete with sheep in the utilization of the available pasture and range, and the expansion of sheep production in the last several years has been at the expense of cattle numbers in many areas. As long as sheep production continues profitable, expansion of cattle numbers in States where sheep production is a factor is expected to be gradual and confined to districts that are particularly adapted to cattle production.

In view of the post-war losses, prices will have to hold to relatively high levels for some time before financiers gain sufficient confidence in the stability of the present level of prices to grant liberal credit

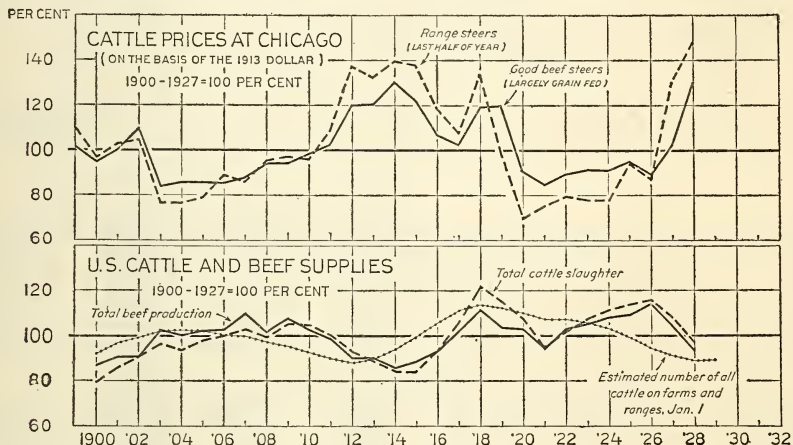


FIGURE 3.—CATTLE NUMBERS, SLAUGHTER, BEEF PRODUCTION, AND PRICES, 1899-1929. EACH SERIES EXPRESSED AS A PERCENTAGE OF ITS AVERAGE FOR 1900-1927

A comparison of the price and production curves shows how the low level of prices from 1919 to 1926 discouraged cattle production; marketings and slaughter exceeded calf crops and numbers remaining on farms and ranges rapidly declined to the lowest point since 1912. In 1927 and 1928 the reduction in numbers on farms was reflected by a curtailment in market and slaughter supplies and sharply advancing prices. A similar situation prevailed in the previous production cycle. Increased slaughtering from 1905 to 1911 were followed by a considerable reduction in market supplies and advancing prices before herds were materially increased.

for rebuilding herds. With the tendency to market cattle at younger ages, and the consequent more rapid turnover, growers may be inclined to take less chance on growing stock to maturity than was the case at the beginning of the previous production cycle. This hesitancy would result in a more gradual increase in cattle numbers than took place in the previous period of expansion from 1912 to 1918 but the effect of increased production would be reflected sooner in market receipts. The present level of cattle prices will encourage increased cattle production, but it should be borne in mind that when prices are approaching the peak of a cycle, is not usually a good time for beginners to enter any industry. When cattle numbers are at a low point, the lower grades of slaughter cattle and stockers and feeders sell relatively high as compared with fat cattle, but when supplies of cattle are plentiful the spread between prices of fat cattle and the lower grades widens materially.

HOGS

Although conditions in the hog industry during 1928 were less favorable than for the three preceding years, they were above the conditions of the period from 1921 to 1924 and above the average for the whole period, 1921 to 1927. Prices averaged lower than in 1927 and the feeding relation between corn and hogs was considerably below the average, which made production relatively expensive. But during the year conditions changed somewhat. Prices tended to work to higher levels but the generally unsatisfactory conditions resulted in curtailed breeding. Market supplies were large but the cyclical trend of production during the year was downward, and the trend of prices slightly upward. This indicates a more favorable situation for the hog producer during 1929 and 1930. In other words, 1928 was a cyclical turning point in the hog industry.

TABLE 11.—*Market receipts of hogs at Chicago, 12 principal markets, and all public markets, and number slaughtered under Federal inspection, 1920-1928*

Year and month	Market receipts			Slaughtered under Federal inspection
	Chicago	12 markets ¹	All public markets	
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
1920.....	7,526,120	26,807,395	42,121,255	38,018,684
1921.....	8,147,646	26,231,653	41,100,989	38,982,356
1922.....	8,156,472	27,942,011	44,067,509	43,113,629
1923.....	10,460,134	36,391,029	55,329,843	53,333,708
1924.....	10,443,175	36,536,331	55,414,449	52,872,634
1925.....	7,995,964	29,388,072	43,928,755	43,042,867
1926.....	7,092,529	25,926,410	39,771,596	40,636,208
1927.....	7,724,216	26,347,601	41,410,618	43,633,460
1928.....	8,539,405	30,025,693	46,526,928	49,795,408
1927				
January.....	804,909	2,818,859	4,251,663	4,513,603
February.....	600,883	2,163,071	3,308,282	3,394,560
March.....	690,259	2,456,758	3,754,154	3,837,278
April.....	502,368	1,982,558	3,142,358	3,329,557
May.....	620,590	2,358,362	3,612,973	3,765,720
June.....	730,803	2,519,379	3,774,577	4,252,623
July.....	594,550	1,987,299	3,045,958	3,430,677
August.....	608,763	1,970,146	3,041,448	3,049,893
September.....	446,076	1,491,636	2,565,001	2,533,819
October.....	512,256	1,746,650	3,039,191	2,968,683
November.....	716,414	2,242,212	3,666,285	3,688,439
December.....	861,345	2,610,671	4,208,728	4,868,608
1928				
January.....	1,068,268	3,453,864	5,305,840	5,478,968
February.....	1,088,249	3,587,372	5,267,150	5,779,821
March.....	887,770	3,103,641	4,638,789	5,139,754
April.....	575,651	2,112,220	3,482,504	3,446,338
May.....	616,919	2,473,828	3,723,225	3,884,381
June.....	667,444	2,413,653	3,547,565	4,078,012
July.....	563,583	1,957,857	2,923,924	2,984,203
August.....	418,299	1,683,730	2,522,886	2,545,335
September.....	377,165	1,614,197	2,599,768	2,548,303
October.....	625,864	2,177,964	3,666,491	3,712,984
November.....	699,640	2,382,604	4,075,367	4,455,273
December.....	950,553	3,064,763	4,773,419	5,782,036

¹ See note 1, Table 2.

MARKET SUPPLIES

Market supplies of hogs during 1928 were considerably larger than in 1927. The number slaughtered under Federal inspection exceeded that of the previous year by 14 per cent and at 49,795,408 head for the calendar year was the third largest on record and the largest since 1924. The calendar-year supply of hogs was large compared with that of 1927 since an unusually large proportion of the supply from

two years of production was marketed during 1928, the result of the late marketing of hogs in the winter of 1927-28. The summer supply of hogs was somewhat less than in 1927 and was particularly short in August and September, the normal period for small supplies. In 1927 the seasonal scarcity in the summer and fall came in September and October, or a month later than in 1928. The early winter run at the end of 1928 was considerably larger than for the same months in 1927, the increase as compared with the previous year being due to a normal distribution rather than to any increased production.

More detailed information as to the approximate seasonal slaughter and weights and value of the separate pig crops is shown in Table 12. Inspected slaughter for the crop year 1927-28 totaled 48,115,000 head, being 18 per cent larger than that of 1925-26 and more than 11 per cent larger than that of 1926-27. Although more hogs were marketed and slaughtered during the past crop year, farmers received smaller total returns than in either of the other two crop years. The temporarily decreased supply during the summer and fall resulted in a sharp rise in prices and a relatively better situation. However, this decrease in marketings was due to the fact that many hogs that normally would have been marketed in August and September were held until new corn was available for finishing because of the scarcity and high prices of old corn.

TABLE 12.—*Number, weight, and cost of hogs slaughtered under Federal inspection during the marketing seasons and crop years, 1920-1928*¹

Period	Inspected slaughter	Live weight			
		Total	Weighted average	Cost to slaughterers	
				Total	Weighted average per 100 pounds
	Thousand	Million pounds	Pounds	Thousand dollars	Dollars
Nov. 1-May 30: ²					
1920-21.....	24, 785	5, 552	223	531, 970	9. 58
1921-22.....	24, 731	5, 497	222	490, 377	8. 92
1922-23.....	32, 226	7, 228	224	588, 209	8. 14
1923-24.....	35, 049	7, 768	220	543, 792	7. 06
1924-25.....	31, 189	6, 724	216	716, 789	10. 66
1925-26.....	25, 829	6, 004	232	727, 241	12. 11
1926-27.....	26, 844	6, 168	228	684, 804	11. 21
1927-28.....	32, 286	7, 283	226	620, 496	8. 52
June 1-Oct. 31: ³					
1921.....	14, 258	3, 287	231	277, 843	8. 45
1922.....	16, 117	3, 751	233	355, 409	9. 47
1923.....	19, 382	4, 431	229	328, 781	7. 42
1924.....	17, 827	4, 124	231	353, 254	8. 57
1925.....	14, 916	3, 525	236	441, 113	12. 51
1926.....	14, 953	3, 655	244	467, 699	12. 80
1927.....	16, 236	3, 929	242	375, 772	9. 56
1928.....	15, 829	3, 711	234	390, 576	10. 52
Nov. 1-Oct. 31: ⁴					
1920-21.....	39, 042	8, 840	226	809, 813	9. 16
1921-22.....	40, 848	9, 248	226	845, 786	9. 15
1922-23.....	51, 609	11, 658	226	916, 990	7. 87
1923-24.....	52, 876	11, 832	224	897, 045	7. 58
1924-25.....	46, 105	10, 249	222	1, 157, 902	11. 30
1925-26.....	40, 812	9, 659	237	1, 194, 939	12. 37
1926-27.....	43, 080	10, 037	233	1, 060, 576	10. 57
1927-28.....	48, 115	10, 994	228	1, 011, 072	9. 20

¹ For source see Table 1.

² Largely hogs from the previous spring pig crop.

³ Largely hogs from the previous fall pig crop but includes a large number of packing sows.

⁴ Crop year.

PRICES

Although prices from June to September, inclusive, were considerably above those during the same period in 1927, this relationship was reversed during the first third of the year, and at the end of the year prices were only slightly above those of a year earlier. The trend of prices in 1927 was downward, whereas in 1928 the trend was upward, the cyclical turning point coming early in 1928. (Figs. 4 and 5.) For the calendar year the average cost of hogs to slaughterers was \$9.18 as against \$10.03 in 1927, and \$12.47 in 1926. (Table 1.) At Chicago the average price paid for packing and shipping droves was \$9.22 as compared with \$9.95 for 1927. (Table 13.) During the first three months prices were depressed as the result of unusually large receipts, especially for the season, and the usual spring rise was delayed until late April. Prices declined only slightly in May and June. The seasonal rise in the summer was marked. Top hog prices went to \$13.50 at Chicago in September, and the weekly average price of packer and shipper droves reached \$12.50 the second week in September. From this level prices made a very sharp and an unusual seasonal decline, reaching a winter low of \$8.50 the second week in December. This decline was the most marked in many years.

TABLE 13.—Weighted average cost per 100 pounds and weight of hogs at six markets, 1920-1928¹

Year and month	Chicago		East St. Louis		Fort Worth		Kansas City		Omaha		South St. Paul	
	Weight	Cost	Weight	Cost	Weight	Cost	Weight	Cost	Weight	Cost	Weight	Cost
	Lbs.	Dolls.	Lbs.	Dolls.	Lbs.	Dolls.	Lbs.	Dolls.	Lbs.	Dolls.	Lbs.	Dolls.
1920.....	243	13.91	205	15.20	-----	-----	221	13.76	258	13.51	-----	-----
1921.....	240	8.51	203	8.83	-----	-----	225	8.35	255	7.92	233	8.03
1922.....	244	9.22	196	9.65	-----	-----	213	9.19	256	8.92	233	8.81
1923.....	243	7.55	201	7.85	186	7.53	218	7.45	256	7.22	223	7.10
1924.....	234	8.11	211	8.35	197	7.98	225	8.08	245	7.80	221	7.63
1925.....	233	11.81	211	12.28	211	11.89	233	11.79	240	11.59	213	11.39
1926.....	243	12.34	213	13.04	218	12.88	237	12.48	260	11.92	230	12.04
1927.....	238	9.95	208	10.32	221	10.02	235	9.92	266	9.62	226	9.53
1928.....	237	9.22	205	9.41	204	8.75	235	9.20	258	8.87	225	8.71
1927												
January.....	226	11.93	213	12.03	227	11.45	238	11.67	244	11.61	210	11.66
February.....	229	11.73	214	11.94	224	11.23	241	11.44	273	11.37	221	11.43
March.....	240	11.28	217	11.54	224	11.09	241	11.02	258	10.92	222	11.19
April.....	239	10.69	210	10.82	216	10.27	236	10.32	264	10.19	227	10.40
May.....	243	9.59	210	9.72	211	9.07	231	9.25	266	9.12	240	9.13
June.....	248	8.78	209	9.08	215	8.60	230	8.67	268	8.46	260	8.16
July.....	257	9.05	211	9.86	224	9.49	240	9.31	277	8.60	277	8.18
August.....	265	9.03	212	10.17	219	9.85	240	9.39	280	8.45	267	8.35
September.....	261	10.22	206	11.21	213	10.83	238	10.70	296	10.03	240	10.10
October.....	235	10.39	195	11.04	212	10.51	228	10.39	285	9.97	219	9.94
November.....	215	8.92	200	9.22	211	8.81	230	8.86	264	8.62	205	8.53
December.....	217	8.32	200	8.53	208	8.03	235	8.15	252	8.12	203	7.99
1928												
January.....	225	8.25	211	8.36	210	7.83	249	8.07	252	7.98	207	7.92
February.....	230	8.08	213	8.15	202	7.71	246	7.83	252	7.66	210	7.80
March.....	235	8.08	202	8.19	203	7.65	243	7.86	257	7.74	212	7.84
April.....	233	9.28	198	9.26	206	8.45	231	8.96	259	8.82	217	8.88
May.....	234	9.67	196	9.60	202	8.95	232	9.41	260	9.21	232	9.16
June.....	239	9.91	202	9.97	206	9.17	228	9.65	264	9.42	255	9.20
July.....	251	10.65	205	11.05	205	10.19	235	10.68	268	10.20	269	9.80
August.....	257	11.53	208	11.94	203	10.68	241	11.42	281	10.89	268	10.91
September.....	251	11.89	205	12.15	199	10.78	226	11.74	268	11.35	241	11.24
October.....	247	9.57	204	9.72	198	9.07	224	9.42	264	9.16	230	9.18
November.....	238	8.83	203	8.87	203	8.53	229	8.69	245	8.52	222	8.63
December.....	231	8.61	205	8.50	209	8.18	237	8.35	234	8.25	221	8.22

¹ Computed on packer and shipper purchases.

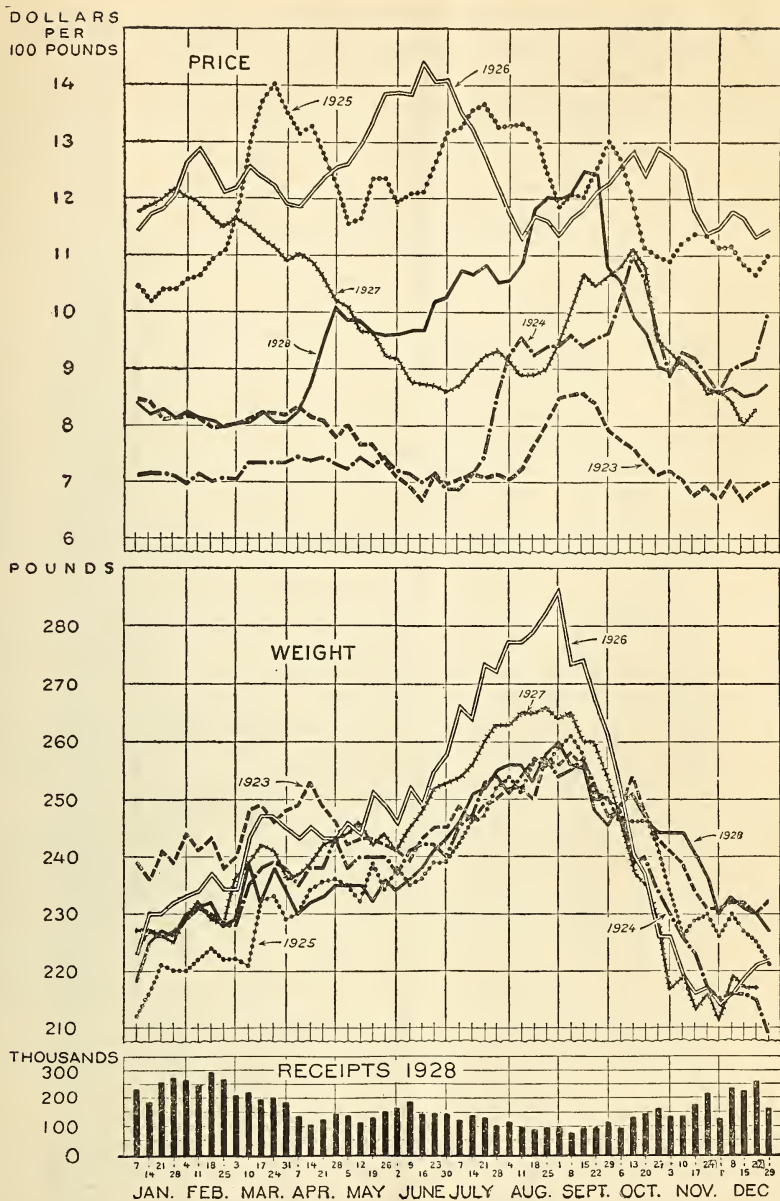


FIGURE 4.—RECEIPTS AND COMPARATIVE PRICES AND WEIGHTS OF HOGS AT CHICAGO, 1923-1928

Hog marketings were abnormally distributed over the year in 1928 and this resulted in extremely wide price swings. Marketings in February and March established new records for those months, and thus delayed the seasonal rise which usually occurs early in the year. Because of the scarcity and high prices of corn many hogs that normally would have been marketed in August and September were held over to be finished on new crop feeds and marketed in the late fall. The resulting scarcity of supplies for slaughter in the summer caused prices to advance more than usual. When supplies at market in the late fall proved to be unduly large because of the delayed marketings, prices declined more than usual, although they did not reach the low levels of the preceding winter.

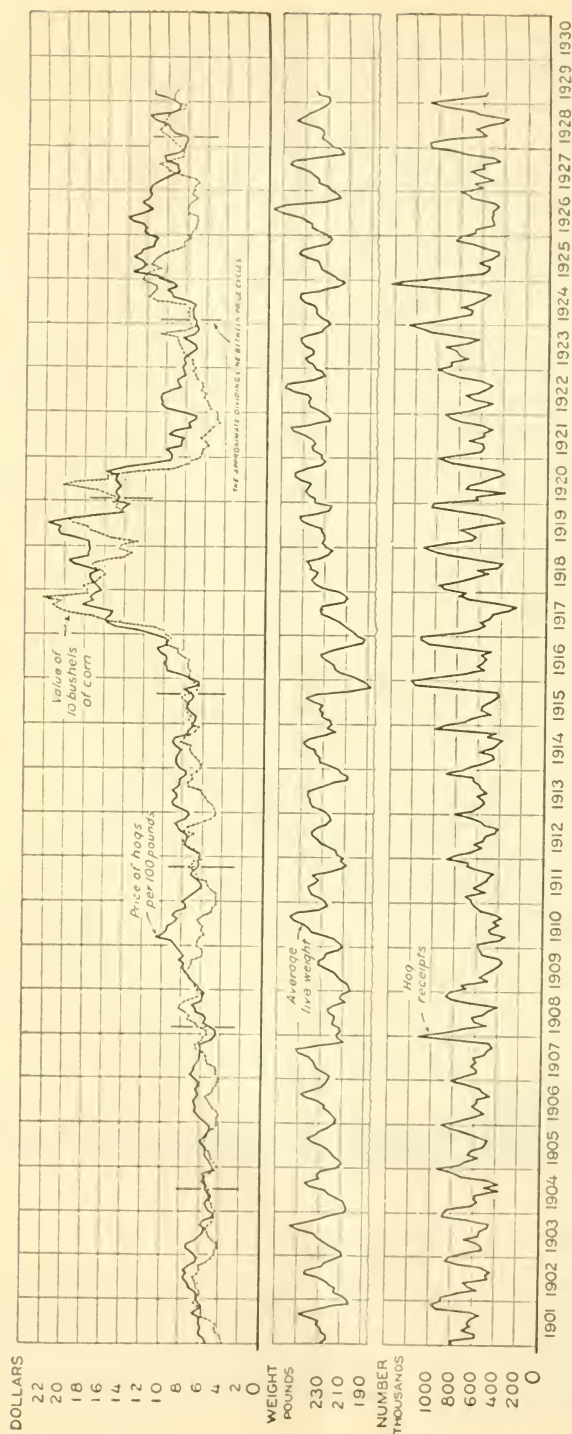


FIGURE 5.—CORN AND HOG PRICES, WEIGHTS, AND RECEIPTS OF HOGS AT CHICAGO, 1901-1928

A comparison of the corn and hog price curves shows how the unprofitable feeding relation between corn and hogs, which began early in 1923 and was later made more unfavorable by the small corn crop of 1924, caused a sharp curtailment in hog production, resulting in reduced marketings and higher prices in 1925 and 1926. This situation, accompanied by relatively low corn prices, in turn stimulated production which resulted in heavy marketings and declining prices in 1927 and early 1928. The price cycle completed in 1928 was similar in many respects to the one that began in early 1908 and finished in late 1911.

Early in the year heavy and very light hogs were discriminated against somewhat and the medium weights sold at a premium. This premium was maintained throughout the year with heavy hogs selling higher than lightweights. The relatively high corn prices and the current hog situation generally discouraged feeding to heavy weights. (Table 14.)

TABLE 14.—*Prices of butcher, bacon, and shipper hogs per 100 pounds at Chicago, by weight groups, 1920-1928*

Year and month	Medium to Choice grade			
	Heavy, 250-350 pounds	Medium, 200-250 pounds	Light weight, 160-200 pounds ¹	Light lights, 130-160 pounds ¹
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1920.....	14.13	14.53	14.59	14.23
1921.....	8.54	8.84	8.99	8.92
1922.....	9.42	9.67	9.80	9.63
1923.....	7.67	7.83	7.75	7.47
1924.....	8.51	8.47	8.10	7.45
1925.....	12.19	12.23	12.00	11.67
1926.....	12.46	12.94	13.09	12.97
1927.....	10.16	10.45	10.41	10.10
1928.....	9.58	9.69	9.51	9.07
1927				
January.....	11.89	11.97	11.99	11.96
February.....	11.70	11.89	11.96	11.88
March.....	11.10	11.49	11.69	11.64
April.....	10.52	10.81	11.03	10.98
May.....	9.52	9.83	9.88	9.80
June.....	8.79	9.06	9.06	8.74
July.....	9.16	9.80	9.94	9.68
August.....	9.32	10.14	10.25	9.90
September.....	10.88	11.39	11.21	10.42
October.....	11.12	11.22	10.86	9.98
November.....	9.45	9.33	8.90	8.32
December.....	8.53	8.47	8.17	7.87
1928				
January.....	8.26	8.34	8.17	7.89
February.....	7.99	8.21	8.12	7.76
March.....	7.99	8.23	8.10	7.58
April.....	9.10	9.32	9.22	8.65
May.....	9.62	9.76	9.37	8.70
June.....	10.04	10.06	9.74	9.07
July.....	10.84	10.94	10.77	10.28
August.....	11.64	11.66	11.69	11.36
September.....	12.14	12.26	11.98	11.60
October.....	9.73	9.77	9.63	9.28
November.....	8.92	8.92	8.74	8.44
December.....	8.65	8.66	8.56	8.20

¹ Prior to July, 1927, quotations were for Common to Choice.

PORK AND LARD MARKET

During the year the dressed weight of hogs slaughtered under Federal inspection amounted to 8,579,000,000 pounds as compared with 7,731,000,000 pounds in 1927. Although exports were somewhat larger than during the previous year, the total pork and lard available for domestic consumption increased somewhat. This increased the total per capita consumption of pork for the year to about 74 pounds compared with about 68 pounds in 1927. The total per capita consumption of lard was about 15 pounds as compared with about 14 pounds in 1927. With relatively high prices for beef, and improving industrial conditions, the increased supply of pork products moved rather freely into consumptive channels. Wholesale prices for

the year, although below 1927 averages, apparently reflected largely the increased supply. Consumer demand appeared to be rather weak during the first half of the year but strengthened considerably during the second half.

Taking a simple average of monthly wholesale prices, fresh loins, 10 to 12 pounds, averaged \$21.24 per 100 pounds at New York as against \$23.42 in 1927. (Table 15.) Prices of all cuts were more or less lower than in the previous year, but the general weighted average of pork products and lard paralleled hog prices rather closely during the first nine months. After September, however, hog prices declined proportionately more than did prices of cured products as there is a tendency for prices of cured pork products to lag behind prices of live hogs at this season. The relatively large marketings of hogs in the late fall and early winter, as compared with a year earlier, although more normal in relation to the seasonal supply for the winter, had a depressing effect on hog prices.

TABLE 15.—Average wholesale prices of fresh and cured pork products per 100 pounds, at New York, 1927 and 1928

Month	Fresh pork			Cured pork				
	Loins, 10 to 12 pounds	Shoulders, New York style, skinned	Butts, Boston style	Hams, No. 1, smoked, 10 to 12 pounds	Bacon, No. 1, 6 to 8 pounds	Picnics, smoked, 4 to 8 pounds	Backs, dry salt, 12 to 14 pounds	Pure lard (hard- wood tubs) ¹
1927	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
January.....	22.58	18.70	22.88	29.50	37.45	18.00	15.00	14.12
February.....	22.17	18.02	21.98	28.88	36.19	18.00	15.00	13.56
March.....	23.57	17.86	22.56	28.22	35.11	18.00	15.00	13.50
April.....	23.05	17.75	21.12	27.62	34.88	18.00	15.00	13.88
May.....	21.42	16.19	18.70	27.50	34.50	17.50	14.00	14.12
June.....	19.36	13.85	15.83	27.85	32.90	17.00	12.50	14.00
July.....	21.72	13.58	16.15	26.75	32.50	17.00	12.50	13.75
August.....	27.10	15.40	18.20	26.00	32.70	17.30	13.40	13.55
September.....	31.10	17.25	21.02	25.50	34.81	15.00	14.00	14.06
October.....	30.15	18.98	23.98	25.58	37.19	15.00	14.75	14.44
November.....	21.73	16.16	19.50	24.75	37.30	15.90	13.40	14.10
December.....	17.12	13.89	16.89	23.55	34.96	16.25	13.00	13.69
Average.....	23.42	16.47	19.90	26.81	35.04	16.91	13.96	13.90
1928								
January.....	16.16	12.90	16.20	23.50	31.19	15.62	13.00	13.44
February.....	15.37	12.57	15.06	22.78	30.50	14.20	12.60	13.45
March.....	15.05	12.56	14.35	22.51	29.68	13.25	12.50	12.88
April.....	20.70	13.21	16.68	21.20	28.62	12.50	12.50	13.12
May.....	21.76	14.75	18.33	22.45	29.90	13.60	13.25	13.85
June.....	20.21	14.31	17.65	23.10	30.50	15.62	13.31	13.56
July.....	23.59	17.18	20.52	24.50	30.62	17.00	13.75	13.97
August.....	28.60	20.34	24.42	27.50	30.80	17.60	14.45	14.77
September.....	31.06	22.32	28.02	27.94	31.69	19.00	15.00	14.81
October.....	23.56	20.80	23.94	27.77	31.91	21.05	15.50	15.00
November.....	21.41	16.32	18.82	26.51	29.62	20.00	14.75	14.00
December.....	16.51	14.25	16.24	26.00	27.78	16.39	14.00	13.50
Average.....	21.24	15.96	19.19	24.65	30.23	16.32	13.72	13.86

¹ Prior to July, 1927, lard quotations were on tierce basis.

The heavy slaughter of hogs during the last three months of 1928 resulted in an accumulation of storage stocks of pork and lard. On January 1, 1929, stocks were the second largest on record for that date. (Table 16.) Storage stocks follow hog slaughter, and the relatively small storage stocks at the beginning of 1928 were due to the

relatively small slaughter of hogs in November and December, 1927. The heavy slaughter from January to March, 1928, resulted in very large stocks at the beginning of the summer of 1928.

TABLE 16.—*Cold-storage holdings of pork and lard on January 1, 1922-1929*

[Thousands of pounds—i. e., 000 omitted]

Year	Pork				Lard
	Frozen	Dry salt, cured, and in process of cure	Pickled, cured, and in process of cure	Total pork	
1922.....	51, 203	111, 071	252, 822	415, 096	47, 541
1923.....	72, 278	121, 125	377, 107	570, 510	48, 808
1924.....	126, 718	148, 121	434, 030	708, 869	49, 340
1925.....	130, 125	118, 718	398, 521	647, 364	61, 049
1926.....	57, 960	119, 617	294, 642	472, 219	42, 478
1927.....	97, 650	68, 203	306, 904	472, 757	49, 992
1928.....	105, 654	97, 335	320, 436	523, 425	54, 855
1929.....	151, 923	142, 248	375, 384	669, 555	84, 557

TABLE 17.—*Pork and lard exported from the United States, 1920-1928*¹

Year	Cured pork	Lard, excluding neutral lard	Total all pork and lard
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
1920.....	860, 631, 168	612, 249, 951	1, 536, 226, 667
1921.....	680, 522, 556	868, 941, 569	1, 630, 648, 791
1922.....	669, 958, 089	766, 950, 103	1, 486, 942, 643
1923.....	870, 731, 037	1, 035, 381, 571	1, 987, 734, 205
1924.....	666, 259, 726	944, 095, 014	1, 673, 796, 761
1925.....	494, 911, 868	688, 828, 950	1, 227, 117, 838
1926.....	380, 638, 333	698, 960, 920	1, 119, 752, 463
1927.....	266, 990, 687	681, 302, 778	984, 199, 395
1928.....	281, 680, 479	759, 722, 195	1, 084, 718, 262

¹ Shipments to Alaska, Hawaii, and Porto Rico not included.

The movement of hog products abroad increased somewhat over that of 1927. Exports of cured pork increased about 6 per cent, and lard exports about 12 per cent. (Table 17.)

CORN-HOG RATIO

Hog production in 1928 was discouraged by the unfavorable relation between corn and hog prices, which began about the middle of 1927, and the relatively low hog prices. Market supplies, however, were relatively large as the result of the favorable relation between corn and hog prices which prevailed from the middle of 1925 to early in 1927. This relation between the price of corn and the price of hogs, generally spoken of as the corn-hog ratio, is responsible for the major changes in hog production. Since marketings lag at least a year behind breeding the supply and price conditions may change materially between breeding time and actual marketing.

During 1928 the corn-hog ratio was generally unfavorable. With corn prices slightly higher and hog prices lower, the ratio was somewhat below that for 1927, and below the long-time average. Based on farm prices of corn and hogs the average corn-hog ratio for the year was 9.9 as against 12.7 for 1927 and a long-time average of around 11.4,

FALL PIG SURVEY

The fall pig survey, made by the United States Department of Agriculture in cooperation with the Post Office Department through their rural mail carriers as of December 1, indicated a decrease of about 5 per cent in the total number of pigs saved from the fall pig crop of 1928 as compared with the fall crop of 1927.

The indicated number of sows bred or to be bred for farrowing in the spring of 1929 was indicated to be about 7 per cent less for the country as a whole than was the actual number farrowed in the spring of 1928.

SUMMARY AND OUTLOOK

For the hog industry the outstanding features of 1928 may be summarized as follows:

Receipts and local slaughter of hogs at public stockyards for the year increased 12.4 and 11.1 per cent, respectively, as compared with 1927. Slaughter under Federal inspection increased 14.1 per cent, and the total dressed weight of hogs slaughtered under Federal inspection increased 11 per cent.

The year may be characterized as developing a slight cyclical upward trend in hog prices and a cyclical downward trend in hog production with marketings at the peak of their cycle. In other words, a turning point of the hog cycle was registered during the year.

Somewhat in line with general industrial conditions the domestic demand for pork improved slightly during the year and at the end was somewhat stronger than it was a year earlier. The demand for the year as a whole, however, apparently was not much better than 1927.

The increased supply of hogs for the year was reflected in lower prices for live hogs and in lower wholesale and retail prices of hog products. The average price of hogs at Chicago was approximately 7 per cent lower, and wholesale and retail prices 6 per cent lower than in 1927.

Exports of hog products in 1928 increased somewhat over 1927, being 6 per cent larger for cured pork and 12 per cent larger for lard.

The corn-hog ratio was somewhat less favorable in 1928 than in 1927 and considerably less favorable for hog production and feeding than in either 1925 or 1926. This was reflected in decreased breeding during the year, which is a forerunner of decreased marketings.

During most of the year medium and heavyweight hogs sold at a premium over lightweight hogs. Live weights of hogs slaughtered under Federal inspection averaged 4 pounds less than in 1927 and dressed weights averaged 5 pounds less.

During the year the seasonal distribution of hog marketings was somewhat unusual. The winter run of 1927-28 came late, with a large proportion in February and March, and the summer supply was curtailed somewhat, partly as a result of early marketings of fall pigs of 1927, especially in the eastern Corn Belt, and partly because some hogs were carried through the summer and finished out on new corn.

As a result of the relatively large movement of hogs in the early winter of 1928, especially as compared with the previous winter, much larger stocks of pork and lard were in storage at the end of the year than at the end of 1927.

The statistical background in Figure 5, which shows the characteristic cyclical swings in the hog industry and the effect of the relation between prices of corn and hogs on market supplies, indicates that the industry has passed the extreme low phase and is on the upward swing of a new price cycle. Decreased production is indicated which means some reduction in market supplies during 1929 and probably for a longer period. The future situation in regard to hog supplies and the character of the next price cycle hinge somewhat on the corn crop of 1929. Regardless of any probable change in the size of the 1929 corn crop, conditions appear reasonably favorable for the hog producer during the last half of 1929, and through 1930, and possibly early in 1931. Referring again to Figure 5, it may be noted that

the hog cycles average about four years in length and that the duration of the cycles has been rather uniform in length throughout the last quarter century, with only slight modifications as the result of war conditions and variations in the size of the corn crop.

SHEEP AND LAMBS

Despite increased production and larger market supplies of sheep and lambs than in 1927 market prices in 1928 were higher and conditions in the sheep industry were generally favorable. Prices averaged the highest since 1925 and, taking in consideration the purchasing power of the sheep dollar, apparently the year was the most favorable on record. In total volume, sheep and lamb slaughter under Federal inspection amounted to 1,105,000,000 pounds live weight, an increase of 5 per cent over that of 1927 and the cost to slaughterers was \$149,000,000, or 10 per cent more than in the preceding year. (Table 1.) Higher prices of wool, which were reflected in increased pelt values, were in part responsible for the relatively higher prices of sheep and lambs as compared with those of 1927.

The year was characterized by further expansion in the industry. Most ewe lambs continue to be held for replacement or further expansion of flocks. Numbers have been increasing at a progressive rate since 1923 and are the largest since 1911. At the beginning of 1929 the estimated number of sheep and lambs on farms and ranges was 47,171,000 head, an increase of about 6 per cent over the number on January 1, 1928. The shift from cattle production to sheep production in many areas has been curtailed somewhat during the last two years since the outlook for cattle production appears equally as favorable if not more favorable than that for sheep.

The lamb crop of 1928, as indicated by the lamb survey made by the United States Department of Agriculture was 8 per cent larger than that of 1927. The indicated crop totaled 25,989,000 head and the number of lambs saved per 100 ewes, over 1 year old, on January 1 was about 89 per cent. The crop in the native-lamb States was little larger than in 1927. The greatest increases were in the Western States, especially those in which severe storms caused heavy losses in April and May, 1927.

MARKET SUPPLIES

Market supplies of sheep and lambs for the year were somewhat larger than in 1927. Receipts at public stockyards showed an increase of about 7 per cent, and slaughter under Federal inspection increased about 5 per cent. (Table 18.) The relatively heavy market movement was particularly reflected at the principal western markets, receipts at 12 markets showing an increase of 10 per cent. At the beginning of the year the supply of fed lambs was largely located in the western feeding areas, which resulted in large intermarket shipments and relatively large market receipts as compared with slaughter. The larger western lamb crop was reflected in an increased market movement of lambs during September and October, a larger-than-usual proportion of which went to slaughterers. In December the supply showed a significant decrease below the corresponding time in 1927. The character of the supply during 1928 was about the same as in 1927, as live and dressed weights averaged about the same for the two years. The slaughter of lambs and yearlings, however, repre-

sented a slightly larger proportion of the total ovine slaughter than was true in 1927 and it was the largest since comparable yearly records were begun in 1923.

TABLE 18.—Receipts of sheep and lambs at Chicago, at all public markets, and at the 12 principal livestock markets, and number slaughtered under Federal inspection, 1920-1928

Year and month	Market receipts			Slaughtered under Federal inspection
	Chicago	12 markets ¹	All public markets	
	Number	Number	Number	Number
1920.....	4,005,237	13,780,318	23,735,534	10,982,180
1921.....	4,734,408	13,775,087	24,168,032	13,004,905
1922.....	3,873,917	12,499,214	22,364,475	10,928,941
1923.....	4,097,833	13,443,628	22,025,386	11,528,550
1924.....	4,192,265	13,596,519	22,200,645	11,990,831
1925.....	3,988,670	13,412,157	22,100,393	12,000,994
1926.....	4,404,851	14,737,439	23,868,133	12,960,878
1927.....	3,829,320	13,936,230	23,939,269	12,882,039
1928.....	3,867,882	15,355,545	25,597,262	13,488,171
1927				
January.....	387,795	1,044,973	1,739,651	1,114,891
February.....	331,510	918,061	1,500,666	1,005,635
March.....	287,704	1,056,850	1,558,442	1,026,736
April.....	227,588	934,104	1,486,313	959,673
May.....	287,474	973,689	2,012,750	991,533
June.....	251,288	929,416	1,815,610	1,058,150
July.....	249,669	841,611	1,675,645	1,013,852
August.....	363,980	1,230,995	2,209,289	1,168,404
September.....	412,294	1,732,430	2,848,188	1,185,169
October.....	407,142	2,111,433	3,587,184	1,193,671
November.....	286,183	1,142,217	1,896,323	1,070,361
December.....	336,693	1,020,451	1,609,168	1,093,964
1928				
January.....	340,686	1,094,149	1,704,659	1,150,520
February.....	305,901	1,194,987	1,669,473	1,048,419
March.....	248,775	1,104,737	1,520,335	1,015,861
April.....	254,650	1,040,010	1,591,496	917,728
May.....	289,170	989,265	1,952,216	1,015,465
June.....	250,024	967,998	1,912,973	1,109,427
July.....	272,685	986,758	1,897,571	1,076,307
August.....	369,719	1,316,766	2,362,334	1,196,112
September.....	475,757	2,041,605	3,385,607	1,307,442
October.....	487,644	2,460,232	3,937,834	1,408,753
November.....	286,930	1,184,512	2,053,230	1,189,416
December.....	285,941	974,526	1,609,534	1,052,721

¹ See note 1, Table 2.

PRICES

Lamb prices for the year averaged somewhat higher than for 1927. The high level was maintained all during the year with the exception of the period from late September to early December. (Table 19 and fig. 6.) From the relatively low level of prices at the beginning of 1928, the more or less seasonal rise in the late winter and spring was similar to the advance in 1927. Prices paralleled those of 1927 but were on a somewhat higher level during the first three quarters of the year. Much of this higher price may be accounted for by the increased pelt values as the result of higher prices for wool. The relatively low prices during October and November were largely the result of increased supplies but were affected by somewhat weaker demand for feeding lambs. As supplies decreased at the end of the year prices advanced sharply, somewhat as they did in 1924 and 1925, and reached relatively high levels as compared with prices at the close of 1926 and 1927.

Lambs moved from growers' hands at prices sufficiently favorable to encourage further production. Prices were especially favorable to growers of early spring lambs and to growers of western slaughter lambs who market during the summer. The increased market supply during the year came largely from the north Rocky Mountain States. A large proportion of this supply consisted of feeding lambs, and the feeder market was somewhat less favorable than it was in 1927.

Returns were especially satisfactory for western lamb feeders who fed lambs from the 1927 crop for the late winter and spring market of 1928. Corn Belt feeders who fed 1928 lambs for the October and November market received relatively unsatisfactory returns but those who fed for the winter market did much better.

TABLE 19.—*Monthly prices of sheep and lambs per 100 pounds at Chicago, 1927 and 1928*

Year and month	Slaughter sheep and lambs				Feeding lambs, Good to Choice
	Lambs		Yearling wethers, 110 pounds and less, Medium to Choice	Ewes, 120 pounds and less, Medium to Choice	
	84 pounds and less, Good and Choice	All weights, Cull and Common			
1927	Dollars	Dollars	Dollars	Dollars	Dollars
January	12.10	10.10	10.07	6.34	12.20
February	12.79	10.83	10.85	7.74	12.57
March	14.82	12.45	12.50	8.44	13.94
April ¹	15.36	12.92	13.15	8.70	14.00
May	14.49	12.25	12.87	6.87	
June ²	15.33	12.43	12.80	5.61	12.75
July ³	14.18	10.79	10.83	5.97	12.91
August	13.49	10.27	10.42	5.90	13.02
September	13.38	10.46	10.25	5.06	13.40
October	13.68	11.01	10.98	5.60	14.04
November	13.88	11.38	11.16	5.93	14.03
December	13.38	10.63	10.49	6.04	13.35
Average	13.91	11.30	11.36	6.52	
1923					
January	13.35	10.81	10.78	6.49	12.88
February	15.39	12.88	13.23	8.43	14.68
March	16.36	13.88	14.32	8.87	15.45
April	16.78	14.04	14.21	9.78	16.01
May	16.19	12.87	13.42	8.26	
June	16.65	13.01	12.40	6.62	
July	15.39	11.86	11.27	6.21	13.37
August	14.50	10.48	10.68	6.43	13.78
September	14.12	10.08	10.26	6.06	14.03
October	13.10	9.68	9.84	5.77	12.85
November	13.30	10.07	10.00	5.89	12.86
December	14.17	10.46	10.78	6.77	13.52
Average	14.94	11.68	11.77	7.13	

¹ Beginning April, quotations are on shorn basis.

² Effective June 1, new-crop or spring lambs are classified as lambs, and old-crop lambs are classified as yearlings.

³ Prior to July, 1927, slaughter and feeder lamb quotations were for Medium to Choice grades; ewes were Common to Choice, all weights; and yearling wethers all weights.

LAMBS ON FEED

The movement of stocker and feeder sheep and lambs through markets during the last half of 1928 was larger than in 1927. This was due to the larger lamb crop, and the increased supply of all lambs at primary markets, rather than to any increase in feeding demand.

In 1927 best feeding lambs sold at a premium over slaughter lambs during September, October, and most of November, whereas in 1928 feeding lambs sold below slaughter lambs practically all during the

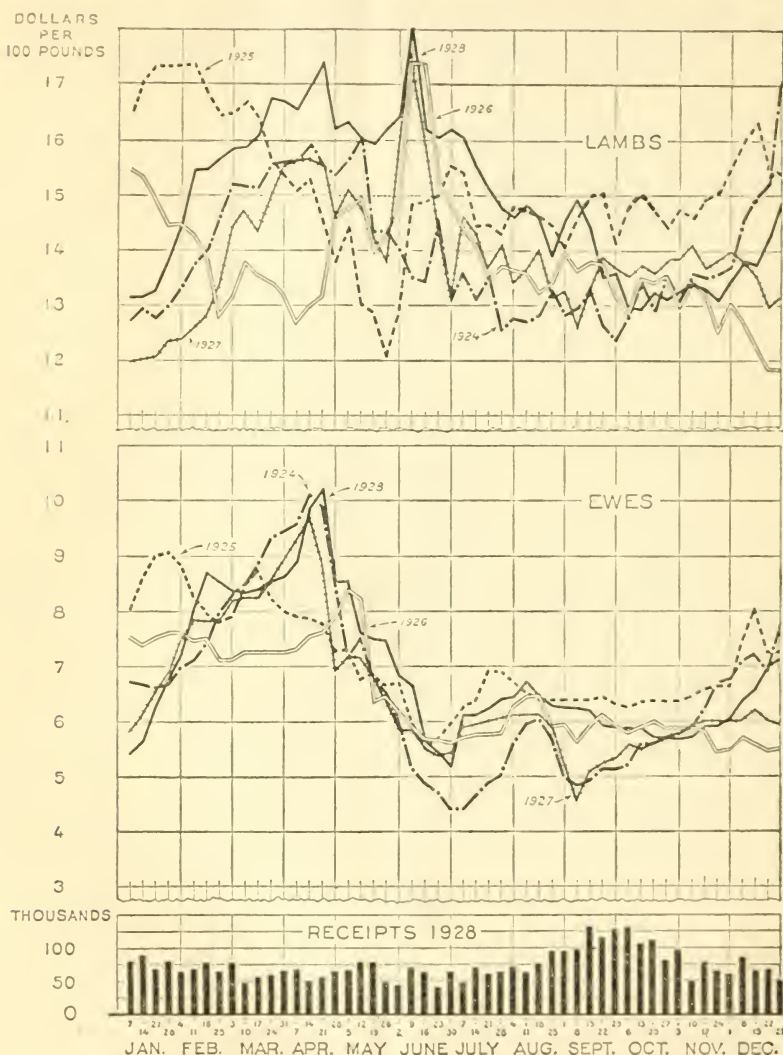


FIGURE 6.—RECEIPTS AND COMPARATIVE PRICES OF FAT LAMBS AND EWES AT CHICAGO, 1924-1928

During about nine months of 1928 the price curve for fat lambs averaged considerably higher than in 1927 and the average for the year was the second highest in a decade. Reduced supplies from feed lots and orderly marketing resulted in a material price advance during the first four months. Likewise heavy marketings of range lambs in September and October accounted for prices dropping to a low level in the fall.

season. The movement of stocker and feeder sheep and lambs from 12 principal markets during September and October was somewhat greater than during the same months in 1927. (Table 20.)

TABLE 20.—*Monthly shipments of stocker and feeder sheep and lambs from 12 principal markets, 1920-1928*¹

[In thousands—i. e., 000 omitted]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1920-----	187	110	81	121	124	153	259	634	674	900	787	181	4,213
1921-----	67	48	56	33	57	51	139	347	429	544	383	165	2,321
1922-----	141	107	66	36	77	93	151	290	388	987	565	175	3,077
1923-----	123	87	55	38	58	54	155	251	766	1,227	339	114	3,268
1924-----	134	91	72	61	43	92	186	336	904	829	464	192	3,404
1925-----	98	99	81	48	51	77	111	313	649	853	315	190	2,886
1926-----	111	82	70	39	48	150	153	459	777	813	374	122	3,199
1927-----	150	107	92	58	121	112	110	364	596	963	425	101	3,198
1928-----	91	75	63	78	104	102	166	350	699	1,085	327	147	3,286

¹ Total computed before rounding the monthly figures.

The number of sheep and lambs on feed in the principal feeding States on January 1, 1929, was estimated at about 252,000 head or around 5 per cent more than the revised estimate of the number on January 1, 1928, according to the United States Department of Agriculture. The total estimated number on feed at the beginning of 1929 was 4,715,000 as compared with the revised estimates of 4,463,000 at the beginning of 1928.

The estimated number on feed in the Corn Belt States, including Nebraska, was 2,575,000 as compared with 2,186,000 at the beginning of 1928.

The number on feed in the Western States as a whole was about 2,140,000 head as against 2,277,000 January 1, 1928.

DRESSED-LAMB MARKET

Wholesale prices of dressed lamb in 1928 averaged only slightly higher than in 1927 during much of the year. Because of the higher pelt values, live-lamb prices were proportionately higher than dressed-lamb prices. The demand for lamb was good and higher prices were paid for an increased quantity. Improved industrial conditions during the year, relatively high prices of competing meats, and the normal increase in population explain the strong demand for lamb. The improvement was gradual during the year and the year closed with demand conditions considerably better than at the beginning of the year.

The total dressed weight of Federally inspected sheep and lamb slaughter totaled 523,000,000 pounds in 1928 as against 502,000,000 pounds in 1927. The total production of lamb and mutton for the year, as estimated by the department, was 671,000,000 pounds, which was the equivalent of a per capita consumption of 5.6 pounds after allowing for minor changes in exports, imports, and storage stocks. This was the largest per capita supply since 1921 when it amounted to 5.9 pounds.

The dressed-lamb market during the year was generally favorable to producers. Supplies moved freely into consumptive channels with only minor temporary accumulations at eastern consuming centers. Prices of choice lightweight and heavyweight lamb carcasses at New York, the principal lamb-consuming center, averaged slightly higher than in 1927. Much of the higher level of lamb prices was due to the higher prices for heavier weights and for the lower-grade carcasses. (Table 21.)

TABLE 21.—*Monthly wholesale prices of western dressed lamb per 100 pounds at New York, 1927 and 1928*

Year and month	Choice		Good		Medium	Common
	Light and handy-weight, (30 to 42 pounds)	Medium and heavy-weight, (42 to 55 pounds)	Light and handy-weight, (30 to 42 pounds)	Medium and heavy-weight, (42 to 55 pounds)	All weights	All weights
1927	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
January.....	24.40	22.75	22.92	21.65	20.75	19.25
February.....	24.80	23.46	23.31	22.74	22.14	19.96
March.....	29.10	28.04	27.48	27.14	26.12	23.84
April.....	31.98	30.50	30.12	29.32	28.00	26.82
May.....	32.82	31.60	31.45	29.88	29.08	28.20
June.....	30.95	29.02	28.96	27.82	26.14	22.96
July.....	29.38	27.39	27.25	26.25	24.39	20.28
August.....	26.36	25.10	24.62	23.86	22.10	18.64
September.....	25.60	24.80	24.30	23.39	21.42	18.42
October.....	24.80	23.82	23.80	22.85	20.92	18.52
November.....	24.10	23.06	23.10	22.06	20.94	18.48
December.....	24.91	22.52	23.29	20.62	19.60	18.08
Average.....	27.43	26.00	25.88	24.80	23.47	21.12
1928						
January.....	23.75	21.74	22.50	20.15	19.70	17.57
February.....	26.11	24.24	24.77	23.24	22.32	21.32
March.....	25.22	26.72	26.72	25.70	24.95	23.82
April.....	30.50	29.15	29.38	28.10	27.48	-----
May.....	32.76	32.08	31.90	31.18	29.96	-----
June.....	30.88	29.55	29.40	28.28	26.50	22.35
July.....	¹ 28.89	¹ 28.00	¹ 27.44	¹ 26.88	24.87	21.88
August.....	27.38	27.38	26.32	26.32	24.38	21.74
September.....	28.08	28.08	26.98	26.98	25.26	22.95
October.....	25.14	25.14	23.84	23.84	22.30	20.40
November.....	24.18	24.18	22.78	22.75	20.98	18.91
December.....	24.30	24.10	22.68	22.58	21.03	19.06
Average.....	27.51	26.70	26.23	25.50	24.14	-----

¹ Beginning with July, 1928, quotations are carcasses 38 pounds and down.² Beginning with July, 1928, quotations are carcasses 39 to 45 pounds.

WOOL

The trend of the wool market during the year was somewhat irregular. It was generally strong, with the trend of prices slightly upward during the first half of the year, but some weakness developed after the middle of the year. All classes and grades of grease wools averaged higher prices for the year than in 1927. Coarse wools advanced more than did the fine wools. (Table 22.) Wool prices in foreign countries during 1928 were less firm than were prices in the United States.

Domestic consumption of combing wools, exclusive of carpet wool, was 7 per cent less than in 1927, and that of clothing wools was slightly less. The consumption of carpet wool increased 5 per cent. Total consumption of all wools on a grease basis was 2 per cent less than in 1927. An increase of 4 per cent in the consumption of domestic wools was more than offset by a reduction of 11 per cent in the consumption of foreign wools.

Stocks of wool in the United States at the end of the year were slightly larger than at the beginning of the year. All of the increase was in foreign wools.

Total imports of combing and clothing wools amounted to 91,034,000 pounds during the year as compared with 120,252,000 pounds in 1927. Stocks of similar wools in bond were around 41,000,000 pounds at the end of the year as against 46,000,000 pounds a year earlier.

Domestic wool production continued to increase in line with sheep numbers. The estimated production of fleece wools totaled 299,113,000 pounds as compared with 281,914,000 pounds in 1927. Pulled wool amounted to 51,900,000 pounds, being slightly more than 1927.

TABLE 22.—*Prices of fleece wool per pound at Boston, grease basis, 1924-1928*¹

Year and month	64's, 70's, 80's (fine)		58's, 60's ($\frac{1}{2}$ blood)		56's ($\frac{3}{8}$ blood)		48's, 50's ($\frac{1}{4}$ blood)	
	Strictly combing	Clothing	Strictly combing	Clothing	Strictly combing	Clothing	Strictly combing	Clothing
	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>
1924.....	57.7	47.7	56.6	50.0	56.0	49.5	53.4	46.8
1925.....	57.1	49.0	56.0	49.2	55.8	50.3	55.4	-----
1926.....	46.5	40.2	46.4	41.4	46.2	-----	45.9	-----
1927.....	45.5	36.9	45.2	38.1	44.6	38.7	44.2	-----
1928.....	48.2	38.4	50.6	42.3	54.2	47.3	53.6	44.9
1927								
January.....	45.5	38.5	45.1	38.5	44.8	38.5	44.5	-----
February.....	45.5	38.5	45.5	38.5	45.0	38.5	44.5	-----
March.....	45.5	38.1	45.5	38.1	44.8	38.1	43.9	-----
April.....	44.6	37.5	44.6	37.5	43.8	37.2	42.9	-----
May.....	44.1	37.1	43.5	36.8	42.2	36.6	41.2	-----
June.....	43.7	37.0	43.0	37.0	42.0	37.0	41.0	-----
July.....	45.1	35.9	44.4	37.8	43.2	37.9	43.1	36.5
August.....	45.5	36.0	45.0	38.5	44.5	39.0	44.0	36.5
September.....	45.5	36.0	45.0	38.5	44.6	39.4	44.4	37.5
October.....	46.2	36.0	46.0	38.5	46.0	40.5	46.2	40.5
November.....	47.0	36.0	47.0	38.5	47.1	40.5	47.5	40.5
December.....	47.4	36.4	47.4	39.2	47.8	41.0	47.8	41.0
1928								
January.....	49.2	37.2	49.8	39.8	49.9	42.5	49.9	42.0
February.....	49.5	38.0	50.5	40.0	51.7	42.6	51.8	42.0
March.....	49.5	38.0	50.5	40.0	52.0	43.0	52.0	42.0
April.....	49.5	38.1	50.5	41.0	52.8	44.5	53.0	44.5
May.....	49.2	38.7	50.5	42.4	54.6	45.3	54.3	46.0
June.....	49.0	39.0	50.5	43.0	56.6	49.5	55.5	46.0
July.....	48.5	39.0	50.1	43.5	55.9	49.5	54.9	46.0
August.....	48.5	39.0	50.5	43.5	54.7	49.5	53.8	46.0
September.....	47.8	38.8	50.5	43.5	54.9	49.5	54.4	46.0
October.....	45.8	38.5	50.5	43.5	55.0	49.5	54.5	46.0
November.....	46.0	38.5	51.5	43.5	55.9	50.8	54.5	46.0
December.....	46.0	38.5	51.5	43.5	56.0	51.5	54.5	46.0

¹ Similar to Ohio and Pennsylvania wool.

SUMMARY AND OUTLOOK

For the sheep industry the outstanding features of 1927 may be summarized as follows:

Receipts of sheep and lambs at public markets were approximately 7 per cent greater than in 1927 and slaughter under Federal inspection showed an increase of about 5 per cent. Most of the increase in supplies came during September and October, reflecting the increase in the late lamb crop.

Prices of live lambs averaged somewhat higher than in 1927 and were relatively higher than carcass prices, since wool prices were higher. Seasonal fluctuations during the first three-quarters of the year paralleled those of 1927, but during the last quarter of the year they were the reverse of the fluctuations of the last quarter of the preceding year.

The lamb crop for the year was estimated at 8 per cent larger than in 1927. Increases were largely in the Western States.

The lamb market was favored by improved industrial conditions during the year and relatively high prices of competing meats. The year may be characterized as one of good consumer demand. This demand was much better at the end of the year than at the beginning.

Lamb feeding during the year was generally favorable to lamb feeders, but Corn Belt feeders who marketed in the late fall received relatively unsatisfactory returns. The relatively low prices for slaughter lambs at that time and the scarcity of feed in some western feeding areas curtailed the demand somewhat for feeding lambs.

Wool prices averaged somewhat higher than in 1927, with the greatest advance on the lower classes and grades.

Returns were generally favorable to growers and expansion in the industry continued. Flocks were further increased and numbers on January 1, 1929, were the largest since 1911.

The general situation in the sheep industry is pictured graphically in Figure 7. The cyclical fluctuations in prices of wool and lambs are shown in the upper section and in the lower portion of the chart is shown the relation between sheep numbers and market supplies.

The sheep industry has just experienced what was probably its most profitable year to date. Including 1922, the industry has had seven years of good to very good conditions. This, together with the relatively high level of prices, has greatly stimulated production. Flock numbers have increased at a progressive rate, most of the

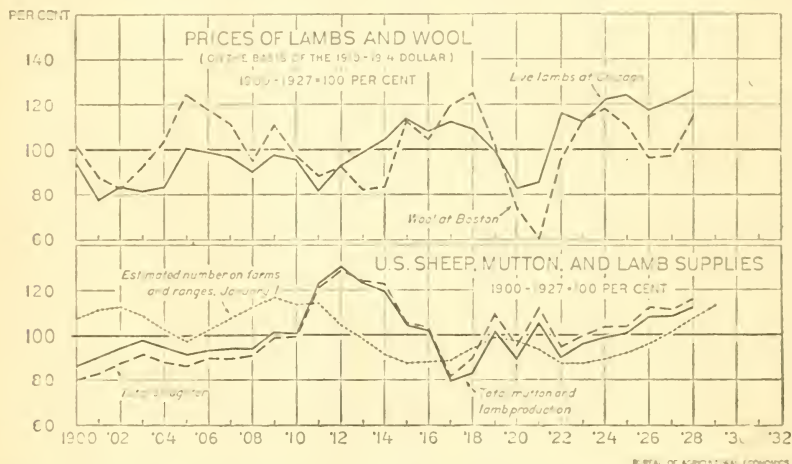


FIGURE 7.—SHEEP NUMBERS, SLAUGHTER, AND PRICES OF LAMBS AND WOOL, 1900-1929. EACH SERIES EXPRESSED AS A PERCENTAGE OF ITS AVERAGE FOR 1900-1927.

A comparison of the price and production curves shows how the high level of prices for lambs and wool (accompanied by comparatively low prices for cattle, 1922-1926, see Figure 3) have greatly stimulated sheep production. Since 1924 marketings have not kept pace with production, with the result that the potential producing power of the industry has been increasing at a progressive rate and has reached a level the highest since 1911. A somewhat similar situation in the industry prevailed from 1906 to 1916, following which marketings were greatly increased and continued large until flocks were considerably reduced.

increase coming during the last few years. Expansion at this rate can not continue much further without affecting the industry adversely. Holding back lambs to increase flocks has restricted slaughter, but when this policy ends increased market supplies and a probable downward swing in the price cycle may be expected. The sheep cycles of the past have extended over a period of 8 to 10 years. The present cycle probably will be longer than any preceding one because of changes in conditions.

For several years there was considerable shifting from cattle to sheep in many areas. This shifting has apparently ceased because of the recent marked improvement in the cattle situation. This will have a stabilizing effect on both industries, since it will tend to restrict further expansion in the sheep industry and will also prevent any rapid increase of cattle in the western range areas.

